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# Latin America Report

No. 2161

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ARGENTINE PAPER URGES BOLIVIA TO AIM FOR NATIONAL UNITY

Buenos Aires CLARIN in Spanish 20 Apr 80 p 10

[Editorial: "Instability in Bolivia"]

[Text] The new commander in chief of the Bolivian army appointed by a decree from the La Paz garrison has just mounted the podium at the Military College to criticize the political parties harshly. Not only did he accuse the party system of having "failed historically," but he spoke of the obligation of the military authorities to control "formal democratism" until a "political model for national recovery" is achieved. In an apparent reference to the leadership, he urged "loyal interpreters" of the broad popular strata instead of "leaders of an enfeebled and obsolete multi-party system serving foreign interests."

Naturally, one cannot regard these concepts as an academic expression, but we should rather wonder to what point they can be reconciled with the fact that the schedule calls for a presidential election in Bolivia at the end of June on the basis of the political parties and their coalitions. It is a question, it should be remembered, of the recurrence of an earlier situation in which there was a virtual tie between the two most popular candidates, such that by means of conciliation, a temporary caretaker government of broad and well-known weakness was established to deal with the serious economic and social problems of the high plateau country.

The situation as it appears cannot but cause concern. When the high Bolivian military officer urges cadets to reject the "fallacious preachings of the senile politicians of the obsolete party system and alienating extremism" he is obviously not referring to individual positions in the coming elections but an institutional attitude in the event that certain trends prevail. This poses excessive conditions or, more accurately put, invalidates the election prospects urged by these same armed forces.

Stating this does not mean overlooking the responsibilities of the political leadership. It is obvious that there is in Bolivia the possibility of shaping a broad national front in order to get out of the institutional

impasse. It would suffice for this to reestablish the unity of the movement which in half a century has rallied almost all of the most important leaders in the contemporary Bolivian scene. There were times at which the armed forces contemplated this possibility favorably. But individuality prevailed through the stress placed on maintaining the coalitions established with smaller groups with heavy ideological content. As of that moment, the terrain underfoot was notably unstable.

The speech by Gen Luis Garcia Meza reflects these events, and does so with an emphasis which is hardly consistent with the scheduled electoral context. This confusion may prove tragic in the coming months. It would be from all points of view preferable to clarify the rules of the game, for it can readily be understood that once the election has been held, a power vacuum, if it should occur again, could be as fatal as the effort to ignore a free majority vote, whatever it might be.

The future of Bolivia is a source of concern in the event that a consensus is not obtained which will strengthen national unity instead of deepening the differences which are more evident with every passing day. Such a consensus could be based on the building of the future rather than the recollection of the dissension of the past. It has now been seen that simply scheduling elections does not suffice magically to resolve the problems of a society hindered by backwardness and traditionally plagued by political violence.

Whatever the situation which led to the statement by General Garcia Meza--and the presumed impact it will have on the civilian front--the statement resounds at the least like a serious warning. Moreover, the remedy for Bolivia today is called national unity, which should be implemented rapidly and unstintingly.

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CSO: 3010

BRAZIL'S 'DEMOCRATIZATION' TAINTED BY RECENT TACTICS

Buenos Aires CLARIN in Spanish 23 Apr 80 p 10

[Editorial: "The Keys for Brazil"]

[Text] In declaring the metallurgical workers' strike in Sao Paulo illegal and arresting its main leaders, the Brazilian government has created a political situation which seems to be leading to reconsideration of the entire more open approach which has developed to date. The concern in this connection was visible yesterday in the faces of the political leaders, urged by official propaganda to concern themselves more with the problems of the country, the main one being the economic crisis, the reason being the increasing difficulty the Brazilian model is having in renewing its sources.

An analysis of the information available shows that the conflict in Sao Paulo became intolerable for the federal government. Not certainly because of the amount of the wage increases demanded by the workers, nor the desire for stability also outlined for a year now, nor because of the entirely intransigent attitude of the employers' sector. Since all of these problems could be foreseen, what gave a special aspect to the metallurgical workers' strike was its nature as a "test," and we would even be inclined to say an "arm-wrestling match" in terms of the national situation in Brazil.

During the first year of its administration, the Figueiredo government has earned itself an undeniably populist image. Thus the trips the president has made abroad were surrounded by the redeeming aura of a return to democracy. Due to a circumstance which may perhaps remain a mystery to the majority of political analysts, the Brazilian regime has moved toward the opposite of what its authoritarian characteristics were beginning in 1964. Which was immediately reflected in the practical exercise of new liberties for the citizens. It could be seen in the greater liberty in the realm of customs, in the rebirth of the old political shows and even the complete renewal of bibliographic materials in the bookstores. No one was surprised when one of the protest songs which in the past had aroused the ire of the censors was played in the discotheque of a luxury hotel.

The metallurgical workers in Sao Paulo do not seem to have been unaffected by this atmosphere. They undertook their strike with an optimism unrelated to the economic indicators. The great trusts in Sao Paulo are not likely to reduce their margin of profits, because among other things they have to deal with a general rise in all their costs, as a result of the oil crisis, and because foreign money is not yet entering the country with enough ease to revive the economic model in a constantly broadening spiral. The possibility of continuing industrial expansion depends upon market adjustments which involve variables dictated by the attitudes of other surrounding countries. The domestic market, for its part, cannot expand further without incorporating new social categories, which would depend on a favorable but extremely costly federal government policy. The government in turn is hindered by the difficulty of paying for imported products while simultaneously covering the foreign debt service. The foot applied to the accelerator of exports and the tour made by the planning minister of the main centers of financing in the West notwithstanding, the central sources of capital are aware that the risk index for banking investments in Brazil has gone up.

Within this context, President Figueiredo implemented the harsh measures known to all, returning the trade union sector in Brazil to the situation encountered in 1968, after the Osasco strike in greater Sao Paulo, which was also repressed. In the next few days, the turbulence thermometer will show if these events will in turn have visible effects on the political leadership. But in any case, they have done harm to the image of democratization. Figueiredo is seen as a secure leader, capable of taking drastic steps at any given moment, just as he learned to do during the Geisel administration. But the image of a more open approach carefully built up over more than a year has been brought down.

The impression which remains in the end after these episodes is that although the crisis is seen in the social and political realms, its heart lies in the economic drama, which deprives all its protagonists of flexibility.

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PUBLIC, OFFICIAL OPINION ON ARGENTINE-BRAZILIAN TIES

## Opinions Clash

Buenos Aires CONVICCION in Spanish 19 Apr 80 p 11

[Article by Luis Domenianni: "Clashing Opinions Characterize Argentine-Brazilian Integration"]

[Text] It is difficult to understand the development of Argentine-Brazilian economic relations in light of the public and private statements made within the Argentine government itself by officials directly involved in the matter. The silence maintained by the various associations of Argentine industrialists is serious, moreover, in view of the importance and magnitude of the negotiations which will conclude with the scheduled visit this coming May by the Brazilian president, Gen Joao Baptista Figueiredo.

For the economic team, headed by Jose Alfredo Martinez de Hoz, the problem arises from the incapacity of the LASTA to create the conditions leading to a Latin American common market making it possible to produce on a large scale, through the almost unlimited expansion of the consumer market, limited in practice to the national population.

Working from this premise, the economic team is determined--and offers this as a proposal for revitalizing the LASTA--to establish bilateral integration agreements, in other words country to country, to replace the previously existing confusing multilateral customs agreements.

As there is a principle in all things, it is necessary to choose with whom one will negotiate first. Therefore Brazil, Uruguay and Mexico were chosen. In the case of Uruguay the factors of proximity were taken into account. Brazil and Mexico, on the other hand, are among the countries with greatest relative development, and therefore their markets are more attractive.

According to the economic team, integration with Brazil--first on the list--will make it possible for domestic industry to rebuild its production figures such as to achieve a substantial reduction in costs through the large-scale system.

But this argument does not have the support of the Argentine ambassador to Brazil, Oscar Camillon, a developmentalist by affiliation, who maintains that the difference in development in the basic industries between the two countries will cause this integration, if achieved through the reciprocal lifting of customs barriers, to be harmful to Argentine interests, which will have to abandon the dream of establishing a powerful basic industry.

Meanwhile, the manufacturing sectors have maintained a noticeable silence with regard to a measure which would mean definitely disadvantageous competition for them, at least at the beginning, against products from Rio and Sao Paulo. Disadvantageous competition which could put many manufacturers out of business.

However, like so many other things, the advance of the economic team toward integration with Brazil seems inexorable. And in this connection, we should recall the authorization to import Volkswagen vehicles from that country, the possible Brazilian decision to raise barriers on the introduction of Argentine automobiles--hardly practical for the time being but important from the philosophical viewpoint--and the sale of Argentine gas, not to mention the joint utilization of the Uruguay River and complementary nuclear development, to mention only a few aspects.

## Minister Sees Advantages

Buenos Aires CONVICCION in Spanish 19 Apr 80 p 11

[Text] "The opening up of a larger economic state made up of our two markets reciprocally establishes the potential for better prospects." This statement was made yesterday by Minister of Economy Martinez de Hoz in statements made in Brazil in connection with trade relations between the two countries.

According to what the economic minister said, the Brazilian government is currently prepared to take steps in this direction, through the reduction of customs tariffs on imports of automobiles produced in Argentina.

"There is great interest in exploring all means of consolidating bilateral relations, so that our two countries can proceed in coordinated and united fashion," the minister commented.

Martinez de Hoz, who has already talked with President Joao Baptista de Figueiredo and the planning minister, Antonio Delfim Netto, indicated that "a decision" on the part of the Brazilian government on customs tariff reductions, which is expected to be the counterpart to the national authorization for the import of Volkswagen automobiles into the country, is being awaited.

In speaking of the importance Brazil assigns to these subjects he said that "discussions are underway here on all levels," referring to his interview.

Synthesizing the thinking which currently prevails in the ministry he heads, he said in conclusion that "the existence of two neighboring countries as complementary economies" is of great importance.

On the subject of this official thinking, and while Martinez de Hoz continues to pursue his talks in Brasilia, the secretary general of the Secretariat for International Trade and Negotiations, Hector Legarre, said yesterday in Cordoba that in his view "a new era in Argentine-Brazilian relations is beginning."

Ambassador Expresses Doubts

Buenos Aires CONVICCION in Spanish 19 Apr 80 p 11

[Text] "The trade exchange between Argentina and Brazil, which almost doubled between 1978 and 1979, is characterized by its advantages for Brazil in terms of development of its basic industries," the Argentine ambassador to Brasilia, Oscar Camillion, said here yesterday.

Camillion believes that the main problem this exchange poses is the considerably greater integration of Brazilian industry as compared to that in Argentina.

Stressing the importance of this trade, the diplomat stressed that in 1979 Brazil had to have been the main final market for Argentina, which was in turn the most dynamic purchaser of Brazilian products, since it was here that its export volume increased most.

Argentine exports totaled 896 million dollars in 1979, compared to 717 million for Brazil, leaving Argentina with a favorable margin of 179 million dollars.

This overall trade which came to 1 billion 613 million dollars in 1979, came to only 887 million dollars the preceding year, which, as Camillion stressed, "even taking international inflation into account, shows a spectacular increase in trade."

However, the diplomat emphasized that while the range of Argentine exports to Brazil was reduced by more than 200 items, Brazilian exports increased by more than 200.

This greater diversification of Brazilian offerings to Argentina, in Camillion's view, reflects structural differences between the two countries where the level of the basic industries is concerned.

In this connection the Argentine ambassador stressed that in 1979, "along with the self-sufficiency in the basic sector achieved in the past 5-year period, Brazil reached the 57-percent level for manufactured goods in its local exports."

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## BRIEFS

GRENADIAN PRAISES PANAMANIAN TRAINING--Grenada's police commissioner, James Clarson, said at a graduation ceremony for 30 policemen from that young republic that he would not be surprised if in the next few years Panama's Acapol Police Academy is known everywhere. Clarson said the graduation of the 30 Grenadan policemen was a long-awaited moment that unites the citizens of our two nations. It is very important because after centuries of colonialism, both intellectual and physical, our two peoples have been able to unite, he said. The ceremony was attended by the national guard commander, Gen Omar Torrijos Herrera, the national guard chief of staff, Col Florencio Flores Aguilar, members of the national guard staff and government officials. [Text] [PA310216 Panama City Domestic Service in Spanish 1700 GMT 30 May 80]

CSO: 3010

TRANSFER OF SERVICES TO PROVINCES QUESTIONED

Buenos Aires CONVICCION in Spanish 10 May 80 p 8

[Editorial: "Ill Informed and Without Valid Explanations"]

[Text] Economic management circles should stop insisting that the idea of transferring to the provinces various public services such as those of electric energy supplies, sewage, public health projects and others be continued. The same thing goes for the policy of transferring primary schools which used to fall under the jurisdiction of the national government.

There has not been much information about the results of this transfer but it is known that its impact on the provincial budgets was borne in various cases with difficulty and at the price of eliminating other important and very necessary items. Neither is it unknown that in some provinces this transfer has meant a paralysis in the expansion of elementary schools which we need so badly. As for the transfer of hospitals it is being carried out with the same determination as the schools but with a little more reasonable prudence. Now there is talk of handing over to provincial governments for their administration and maintenance national highways as well as water supply and sewer drainage services.

We believe that the idea underlying these transfers is not bad in itself but, at these times--and we anticipate for a long time--it is and will be inapplicable in our country. It makes one believe that what is involved is a "federalist" idea and it is indeed one in theory but not in practice. Because it can be put into effect only with difficulty without undermining the already highly deteriorated economy of many provinces. Because what is the federalist assertion for Salta Province, for example, which a few months after being put in charge of the schools that were transferred to it, was "declared" to be bankrupt by its government and hastened to request economic assistance from the national government to overcome the problem?

We suppose that before ordering the transfer a study will be made in Buenos Aires relating to the economic capacity of each province to take charge of the service involved. But why is there no information in this connection?

And why are we continuing the process without formal reports about the disadvantages and benefits derived from the transfer of national primary education to the provinces, initiated by this imprudent transfer-oriented policy?

In the last analysis we wish to have an explanation why taxing provincial budgets to the breaking point in order to relieve that of the national government is considered an appropriate way to forge federalism and consequently sound economic policy. Yet presumably they know what is involved.

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CSO: 3010

TRACTOR INDUSTRY AT A STANDSTILL

Buenos Aires CLARIN in Spanish 10 May 80 p 10

[Text] "The drop in our stock of tractors is growing every day and that reduction is reaching extreme limits that could, if the trend of the past 2 years is not reversed, drastically change all computations about agriculture and livestock production." It is in these terms that the general director of AFAT [Association of Argentine Tractor Plants], Dr Roberto Jose Russo, explained the difficult situation in a talk with CLARIN.

It happens that since the end of 1977 acute retrenchment in tractor purchases has been observed. The latter have reached a level "comparable only to the years following World War II when imports became practically impossible and our tractor inventory dropped significantly."

According to Russo the best way to illustrate the existing situation in the sector is by an analysis of the evolution of horsepower [HP] sold by the industry in the past few years and its ratio to the areas sown each season. In 1976-77, compared to 21,349,000 hectares sown, 1,518,954 HP worth of tractors were produced, which is equivalent to 0.07 HP per hectare. In 1977-78 the ratio was 20,077,000 hectares while tractor production reached 1,660,884 HP, that is, 0.08 HP per hectare. In 1978-79 an abrupt drop occurred when, compared to 20,182,000 hectares sown, only the equivalent of 484,805 HP in tractors was produced so that the ratio dropped to 0.02, the level maintained in the last season when 619,273 HP of tractors were marketed, that is, 0.03 HP per hectare.

Employment

"Another important fact to relate," Russo mentioned, "is the significant drop in personnel employed in the plants considering that from about 7,000 workers employed in 1977 the number has dropped to about 2,500 workers this year." Furthermore, the gradual reduction in the degree of use of the installed capacity of the four tractor plants must be mentioned. These are, in fact, equipped to produce 30,000 tractors a year but operate now at only 15 percent of that capacity.

According to AFAT's general director, the loss of purchasing power by the agriculture and livestock producer is one of the factors that brought the existing situation about. "On many occasions we have noted that the producer needs adequate financial support to be able to acquire new units, that is, credits based on a realistic index that would then enable him to meet his debts. Credits cannot be indexed on the basis of nonagricultural wholesale prices when the prices of production do not follow those indexes. However, we do not wish to request sbusidies but merely to have the existing economic reality respected."

Means

As regards the means sought by the sector to promote the development of the plants and avoid what begins to appear as a situation of total breakdown, the free import of tractor component parts was noted, a rule which despite the fact that it had been sought years ago could take effect only recently in April 1980 so that its potential benefits cannot yet be estimated in any form.

Nevertheless, Russo said that this means it is only a tenuous makeshift for the critical situation which mandates an availability of funds and not sporadic solutions such as that noted, which will be in effect only until December 1981. "Let us arrange at least that that deadline for the free import of parts be extended until 1984, that is, to give the industry time to readjust, as was done in connection with other sectors."

Another way of stimulating the sector, according to what Roberto Jose Russo told CLARIN, would be to go back to lowering taxes on the purchase of capital goods. "Thus, even though at this time the agriculture and livestock sector does not have a tax credit from which it could offset the purchase of machinery, and since that offset needs practically 5 years to be implemented, the measure can be helpful within that time and the producer can hope that agricultural prices will decline.

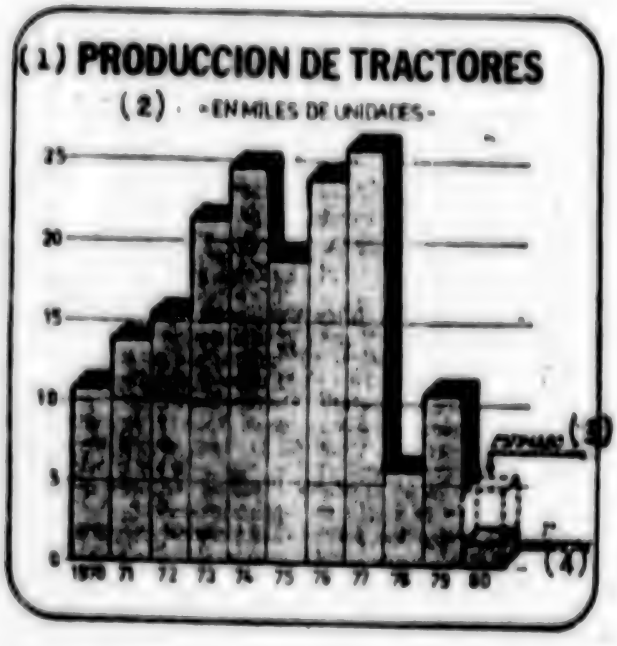
The means proposed by AFAT were repeatedly submitted to the authorities "who are aware of the problem of the tractor industry, but so far only superficial, not basic, measures have been adopted which act only as makeshift and which were generally applied belatedly, consequently wasting their beneficial effect for the sector." As an example, Russo stressed the recently approved free import of tractor parts which makes the industry dispense with its domestic suppliers until December 1981. "I am wondering whether after that date, when we have to turn again to those suppliers, we shall find them."

Concern

In the meantime concern is growing in the plants of the sector, some of which are beginning to plan intermittent closings--as in the case of Deutz Argentina--the production figures not being promising: In February 1980

only 482 tractors were produced and in March and April 1980 that figure--even though the latest data have not yet been compiled officially--apparently will not show substantial changes. In the first 4 months of the year production barely exceeded 1,600 units while the average for the three 4-month periods of 1979 stood at some 2,600 units per period if one considers that in the whole of 1979 a total of 10,610 units was produced.

The stock at the plants now comes to 1,800 tractors, a volume which in normal times "could be sold on the market in 6 weeks, but now it will surely take 6 months to sell them and if things continue in this way regretfully we shall have to say that it will take 6 years," Russo asserted.




Key:

1. Production of tractors
2. In thousands of units
3. Estimated number to be produced in 1980
4. Number produced in the first 4-month period of 1980

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CSO: 3010

TRACTOR PLANT TO HALT PRODUCTION IN JUNE

Buenos Aires CLARIN in Spanish 10 May 80 p 10

[Text] As a consequence of the crisis which affects the tractor industry for the third consecutive year now but which has lately been aggravated by bad weather and economic deterioration for the sector, the Deutz Argentina enterprise decided to halt its production throughout the month of June and to resume its operations as of 1 July 1980 but already at a lower rate of output and with reduced personnel, given that the number of workers will drop from 1,150 to 800. It was first decided to halt operations for 2 months through 1 August 1980, but the firm's management cut the period of closing "in order not to create social problems," according to the information given to CLARIN by Deutz' commercial director, engineer J. Raul Villarino.

The Market

The executive is effecting an analysis of the tractor market, blaming the government's agriculture and livestock policy for the worsening of this situation. "From the 25,000 tractors which the four plants in Argentina produced in 1977 last year output dropped to 8,000. There is talk of expanding Argentine agriculture and livestock production but absolutely nothing is being done to encourage it, quite the contrary: Taxes are being raised and the relative value of agricultural and livestock products is down.

"This is done," Villarino noted, "through the mechanism of an artificial exchange parity which undervalues the [U. S.] dollar by at least 40 percent. Furthermore, the producer is paid 80 percent of the international price, that is, that for each dollar's worth that he generates the producer gets only 48 cents as a consequence of the fact that such undervaluation lowers real value by 40 percent bringing a dollar down to 60 cents of which the producer receives 80 percent, that is, 12 cents less."

The economic factors noted became aggravated, according to the Deutz executive, by the unfavorable weather conditions experienced this year: First, in January and February there was a drought, then it was followed by rains

extending until April after which the flood in Buenos Aires Province occurred. "All this reduced the demand for tractors," Villarino added.

Prospects

Consulted about future prospects Raul Villarino answered that "we hope that measures will be taken so that, in some way, the plunder to which the agricultural producer is subjected may be mitigated. Let us look at the figure for external debt, close to $20 billion as published and which should give us something to think about." He added that "the country needs large harvests to secure real resources but how will it achieve these without tractors? Following these 3 years when the tractor inventory failed to achieve the minimum figure of necessary renovation (12,000 to 15,000 units a year) but only half of that, without counting the necessary increase in stock, the tractors in use have reached a level of obsolescence which reduces their effectiveness greatly."

The commercial director of Deutz Argentina concluded: "It is necessary to give the rural sector what it needs and in the first place development credits which it has always had available except in the last few years."

2662
CSO: 3010

AUTO EXPORT FIGURE IN MARCH NEGLIGIBLE

Buenos Aires CLARIN in Spanish 2 May 80 p 14

[Text] Motor vehicle production in March 1980 reached 21,384 units of which 16,610 were automobiles and 4,774 commercial vehicles, according to the monthly report of ADEFA [Association of Motor Vehicle Manufacturers].

Production in March 1980 was more than double that of the earlier month which is the dead season in the sector and represents a rise of 9.6 percent compared to the corresponding period of 1979. The cumulative total in the first 3 months of 1980 represents increased production of 21.6 percent compared to the corresponding period of 1979. This year 42,067 vehicles were built during the [first] quarter while last year the figure was 35,004.

On its part the transfer of motor vehicles to dealers totaled 21,174 units which means 2,351 units more than in the corresponding month of the previous year.

Exports were practically nonexistent and involved two automobiles.

The cumulative total in the first 3 months of 1980 was 739 vehicles consisting of 712 automobiles and 27 commercial vehicles.

Analyzing the production figures by firms in March 1980, it can be observed that the two leading manufacturers, Ford and Renault, accounted between them for 59.4 percent of Argentina's production. It is appropriate to note that in March there were nine [sic] firms in the market given that Citroen Argentina S.A. halted productions. The production at these plants was as follows: Chrysler Fevre Argentina S.A., 2,826 vehicles, which brings its current year's total to 5,963 units, 52 fewer than in 1979. Deutz Argentina turned out 18 units, which brings its total to 25 for the current year, 3 fewer than in the corresponding period of 1979. Fiat Concord produced 2,873 units bringing its total for the first quarter of 1980 to 7,495 vehicles, that is, 736 more than in the corresponding period of 1979. Ford Motor Argentina produced 8,584 vehicles making a total of 20,098 vehicles for 1980, that is, 5,038 more than in the corresponding period of 1979.

On its part Mercedes Benz Argentina produced 833 units, totaling 1,846 units in the first quarter of 1980, that is, 188 more than during the corresponding period of 1979. Renault Argentina produced 4,120 vehicles in March, which brought its total for 1980 to 12,059 units, practically double its production in the corresponding period of 1979.

2662
CSO: 3010

TEXTILE INDUSTRY CONTINUES DOWNWARD TREND

Buenos Aires CLARIN in Spanish 14 May 80 p 18

[Text] Businessmen grouped in FITA [Federation of Argentine Textile Industries] represented yesterday to the minister of economy, Dr Jose Alfredo Martinez de Hoz, the "critical" situation being experienced by the textile sector.

The discussions lasted a little more than 2 hours and, besides the head of FITA, Roberto Favelevic, 46 heads of organizations in the textile sector and of the principal firms in the industry attended.

At the close of the meeting FITA released a communique in which it noted that "the businessmen found that the problem of each branch or manufacturing establishment can differ, it being asserted in general that their operations face a crisis, fundamentally stemming from the import into the country of competitive foreign-made items which, on one hand, exceed in the short term the demand of the consumer market and on the other give rise to expectations of imports which have an impact by delaying the already depressed demand of our domestic market."

In the same way FITA's report emphasized the fact that during the meeting it was noted that given the structure of existing costs in the country "most of whose components escape managerial control, not even the most modern plants can consider themselves to be competitive today with similar or even older plants located in other countries. It reported that among other determining factors underlying such a situation the government bureaucracy, inefficiency, the high cost of services, labor, and budgeting, and the heavy financial and fiscal burden were mentioned.

Duties

Subsequently and after reiterating its concern about the future of the textile sector FITA's communique stated that "it was also determined that all Western countries which use imports as an instrument for the improvement of their industrial efficiency should treat this instrumentality with extreme prudence since they are aware of the inherent danger of

provoking situations of internal crises, particularly in activities such as textiles because of the highly aggressive marketing of their products evidenced by countries of the Far East as well as, in our particular case, by some of our neighbors in South America."

FITA then added that "it was mentioned that in the process of adjusting the entire productive and economic structure of Argentina a rate of change is expected from the industry which is much higher than that occurring in the public sector to adjust its own structure. Such a procedure," the communique continued, "affects particularly activities such as textiles which are therefore very vulnerable to an accelerated opening up of the economy, effected either by means of duties or through phasing out the [existing] parity of exchange."

Sectoral Imbalances

Subsequently, FITA's report asserted that Minister Martinez de Hoz "recognized that the textile sector today is among the ones most affected by an economic policy whose global focus cannot always contemplate in the immediate future the sectoral imbalances produced in its application. He also noted," FITA's communique continued, "that he considers that the textile industry should enjoy sufficient comparative advantage to be competitive once the general restructuring of the economy and adequate improvement of said textile industry materialize."

Finally, it was reported that the minister reiterated that "antidumping procedures will be applied with all vigor and that, so far, the delays incurred were generated basically by the lack of an appropriate administrative structure for their instrumentation and the lack of records and frames of reference sufficient for their rapid adoption. He likewise added," FITA's communique noted by way of conclusion, "that the measures taken in the field of offset duties for textile products originating from Brazil and the setting of government prices for some textile products of any origin indicate a political decision to adopt this type of measure which will be generalized in all cases considered necessary."

2662
CSO: 3010

BRAZIL CHARGED WITH TEXTILE DUMPING

Buenos Aires CLARIN in Spanish 30 Apr 80 pp 16-17

[Text] The Ministry of Economy ordered the establishment yesterday of an [additional] offsetting duty of 3.04 percent on imports of textile products of Brazilian origin. This decision followed, according to an official report, an investigation made by the office of the undersecretary of foreign trade regarding the existence of [Brazilian] subsidies on its exports of textile articles to Argentina.

The official communique emphasized that "it is learned from the investigation undertaken that while the total imports of textiles originating from Brazil and shipped to Argentina during 1979 do not indicate a situation of clear harm for our competitive domestic products, it is important to prevent the harm which future imports could cause--especially of cotton, synthetic and artificial products."

However, in its final section, the communique released yesterday by the Ministry of Economy explained that "the offsetting duty of 3.04 percent established has been quantified on the basis of the analyses of financial incentives existing at the close of the investigation which occurred on 28 February 1980. However," it concluded, "because it was possible to infer that complementary [Brazilian] regulations might exist involving additional subsidies on exports from that country, the investigation has been reopened."

Statistics

Furthermore, the office of the secretary of international trade and economic negotiations reported a list of antidumping steps that it is now implementing.

In this respect it emphasized that at the present time there are filed at the office of the undersecretary of foreign trade 41 complaints pertaining to dumping. Of this total only 3 have their investigative stage completed while 6 others are still being probed. In contrast, the 32 remaining cases are still at the study stage.

Charges of dumping have originated from various sectors: Chemical, petrochemical and rubber, 8; iron and steel and metallurgical, 16; foodstuffs, 5; construction, 5; paper, 1; textile, 5; and other sectors, 1.

It is also noted that 31 dumping probes have been concluded by the office of the undersecretary of foreign trade. Of these 4 have already been adjudicated by the Ministry of Economy; 9 were transferred for the consideration of the Ministry of Economy; 14 were thrown out by the undersecretary of foreign trade; and in 4 cases the complainant withdrew his charges.

These cases pertained to the following sectors: Chemical, petrochemical and rubber, 10; iron and steel and metallurgical, 6; foodstuffs, 5; paper, 3; textile, 6; and other industrial sectors, 1 case.

2662
CSO: 3010

ADAMS REASSURES CARICOM PARTNERS ABOUT OFFSHORE BANKING VENTURE

FL091415 Bridgetown ADVOCATE-NEWS in English 31 May 80 p 1

[Text] Barbados, prime minister and minister of finance, Mr. Tom Adams, said in Trinidad last night that everything in his power will be done to ensure that the Barbados offshore banking centre does not provide any opportunity for foreign exchange leakage in the region.

Addressing the Trinidad and Tobago Chamber of Commerce at the Trinidad Hilton, Mr. Adams said that the proposed offshore banking venture by Barbados could be the cause of some concern in official circles among our CARICOM partners.

"I am deeply conscious of Barbados responsibilities to its regional partners," he said. "I want to emphasise that our efforts are aimed at attracting extra-regional foreign business only to our centre--and only such business as will not impair the good name of our island.

"The Central Bank of Barbados," he continued, "will take steps to ensure that no deposits in any regional currency will be accepted by offshore banks operating in Barbados. I wish to assure all concerned that everything in my power will be done to ensure that the Barbados offshore banking centre does not provide any opportunity for leakage of foreign exchange in the region."

Earlier in his speech, Mr. Adams outlined the background to the offshore banking venture.

"In 1965," he said, "through the enactment of an international business companies' act, Barbados sought to encourage more overseas corporations to establish headquarters on the island.

"The provisions of that act were liberalised in 1977 and some 34 international business companies now take advantage of the low levels of taxation on profits and dividends offered by Barbados under that act.

"In 1976, the government took a decision to extend this service to the international community and include an offshore banking facility in the regime."

The minister of finance said that after a very careful study of the implications of the venture, an offshore banking act was enacted this year. He said that the care taken to obtain the best available advice and assistance in drafting the legislation was calculated to ensure that the scheme was consistent with "our intention to preserve unsullied Barbados' reputation for integrity and upright dealing."

"It is the intention of my government to establish a functional offshore centre of quality" he added. "Offshore entities in Barbados will have to maintain a physical presence.

"They must incorporate under our local companies' act; a resident citizen of Barbados must be one of the directors; the minimum paid-up capital is stipulated, and there is a requirement that a reserve fund must be maintained into which 25 per cent of the profits must be paid under given circumstances.

"Every person wishing to carry on offshore banking business must obtain a licence for the purpose. And it is both clearly in the interest of Barbados itself and the intention of government that only those financial institutions and persons who will bring credit to our island should be granted a licence.

"The Central Bank of Barbados will have special responsibility for scrutinising all applicants and, under the act and relevant regulations, will generally monitor the operations of all licensed offshore entities.

"A licence may be revoked for breach of the conditions of the licence or of a requirement of the act. We are interested in establishing and maintaining an international financial centre of integrity. Shady characters are not welcome nor are fly-by-night institutions. Our scheme is consciously designed to keep these out."

Mr. Adams said that the benefits that can accrue to Barbados from the operations of a successful offshore banking centre included an increase in revenue arising from licensed fees and taxes on profits.

"It should be noted here," he stressed, "that a functional centre generates profits in its own right rather than solely by the avoidance of taxes and levies elsewhere.

"Further benefit will accrue from the banks on-shore operating expenditures related to wages and salaries, administrative expenses, telecommunications and rental of premises.

"Additionally, a significant number of new jobs should be created by the increased activities of trust houses, lawyers, accountants and the telecommunications industry. A nonpecuniary benefit could be the development of a cadre of trained indigenous bankers who may in time establish their own institutions." (GIS)

CSO: 3020

FRENCH AID IN SPECIAL ALTERNATIVE ENERGY PROGRAM

FL091420 Bridgetown ADVOCATE-NEWS in English 31 May 80 p 1

[Text] France will assist Barbados in a special alternative energy programme next year that could mean increased local technology in developing solar systems to reduce the dependence on foreign fuel.

The proposal was considered along with others for French assistance in trade, agriculture, education and external affairs, in two days of talks between Barbados Government ministers and a French Government delegation.

Speaking at a press conference yesterday, France's ambassador to Barbados, Mr. R. Choiseul Praslin said that Barbados had been invited to send a government minister to Paris to see solar systems. The idea is to identify a structure in the French solar research that could be adpated to sundrenched Barbados.

The plan includes visits by experts and engineers from France to Barbados and provision for a Barbadian to study development of solar systems in France.

The ambassador said that France, as one of the rich countries in the world, was willing to assist Barbados and other Caribbean territories in raising the standard of life to preserve peace in the area.

He added that France will provide three scholarships for Barbadians to study at French universities. The winners will have to pay their air fare to France while the French will pay for the return tickets.

The students will receive a BDS $700 monthly allowance from France.

France will also assist Barbados in the training of highly technical customs officers, and assistance in commerce, specifically in the packaging and presentation of products of the private sector.

The ambassador said that another proposal considered, calls for attachments for Barbados Government agriculturists at institutes in Martinique and Guadeloupe to study research in citrus and ground provisions.

CSO: 3020

## BRIEFS

OIL COMPANIES REPORT OPERATIONS--The two oil companies operating under contract with Bolivian government oil deposits [YPFB] have reported to the energy and hydrocarbons minister that they are drilling new wells and exploiting others, yielding a total of 3,300 barrels of oil and 80 million cubic feet of gas per day. The Tesoro Petroleum Company indicated that the daily production of the La Vertiente oilfield is 1,200 barrels of oil and 30 million cubic feet of gas per day. The Occidental Petroleum Company, which is operating the Tita oilfield, indicated that this field is producing 2,100 barrels of condensed oil and 50 million cubic feet of gas per day. [PY221204 La Paz PRESENCIA in Spanish 18 May 80 p 10 PY]

CSO: 3010

## REACTIONS TO CUBAN REFUGEE SITUATION REPORTED

### Refugees to Brazil

Rio de Janeiro O GLOBO in Portuguese 18 Apr 80 p 15

[Text] Brasilia--The formal decision to accept Cuban refugees has already been made by the Brazilian Government, and its implementation depends only on further talks with the Peruvian Foreign Ministry, Minister of Foreign Affairs Saraiva Guerreiro said yesterday. Guerreiro said that despite the Brazilian decision, it will not be possible to provide asylum for "a very large number of individuals," the plan being to accept between 50 and 200 Cubans.

And he explained that the Brazilian attitude represented an effort to do something to support the Peruvian Government, which has provided refuge in its embassy in Havana for persons desiring to leave Cuba, in a humanitarian gesture without any politically based intent. The problem of the refugees should not influence the process of reactivating relations with the Cuban Government. This is a matter which will be resolved with time.

Guerreiro further stated that for the time being no support plans for sheltering the refugees who want to come to Brazil is being drafted. This matter is being dealt with by the consular section at the Itamaraty Palace, jointly with the Ministry of Justice.

### Editorial Comment

Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Apr 80 p 10

[Editorial: "Cuban Dilemma"]

[Text] The surrealistic saga of the invasion of the Peruvian embassy in Havana by 10,000 people who want to leave Fidel Castro's island might at first remind one of the tragic tale of the boat people on the China Sea, for both are instances of mass exodus, unprecedented in modern history, a deliberate rejection of the socialist paradise.

However the similarity ends there. For in Havana, first of all, a tragedy, fortunately, is not occurring. But above all, it is not a question in

Havana of a handful of individuals putting to sea secretly in the middle of the night. It is a matter of 10,000 Cuban citizens who together are asking for political asylum with the knowledge of the established regime. And that regime, violating the golden rule of the Marxist totalitarian system, is yielding to the fact, and even voicing great satisfaction at being able to rid itself of so many antisocial elements.

Much must have happened in the world in order for the rhetoric cultivated over the course of six decades to collapse pure and simple. Communism asserts such superiority over the "rotting" regimes it has replaced that it becomes impossible to accept the hypothesis that someone would prefer the former era. As this hypothesis was by definition impossible, the frontiers to all the countries "liberated from oppression" were closed, in order to prevent intrusions which would disturb the peace of these islands of labor and personal realization.

But now it has become difficult to sustain the fiction. Liberated from the past, the Cuban economy is regressing, rather than advancing. The government declares war on bureaucracy (but how can there be socialism without bureaucracy?) and in the January address at the conclusion of the national assembly of the people's government, Fidel Castro allowed a glimpse of unaccustomed perplexity: "We are navigating in a sea of difficulties."

The lifelong government established in Cuba will not allow its own jurisdiction to be assessed, while it retains its absolute power. By definition, if the people adore Castro, there is no need to ask that people for an opinion. But there are limits to the tolerable, and it is the crossing of those limits which the peaceful march to the embassy of Peru seems to be announcing loudly.

The index of this discontent will have made it more convenient for the regime to allow the departure of the antisocial elements than to keep them there under pressure. After all, these are 10,000 mouths less to feed in an economy which is totally dependent on foreign aid.

It is a most unique Cuban version of a more open approach. But the political cost implicit therein is uncommonly high. The violation of the Cuban frontier from the inside outward faces the government, if it wants to save space, with various alternatives, all of them disagreeable: the first is recognition that it does not after all have the right to keep a people prisoner--and this attacks the ideological validity of the regime. The second is reliance on the pedagogical nature of the communist regimes, in which only those with a proper social conscience can live--but in this case, regimes of this type can no longer be represented as the universal solution. The third option is to recognize pure and simple that the regime is beginning to displease the people, and that the time may have come to consult that mysterious body. It is not necessary to specify which of these options is least likely to be selected.

## Leftwing Frustration

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Apr 80 p 3

[Text] French newspapers and observers have quite rightly expressed the great frustration of the intelligentsia and the left wing, concerned with the maintenance of its monotonous and uninspired proselytizing impact throughout the world, especially in Latin America, where the trends of intellectual and social thought and progress follow the parameters of the philosophic trends prevailing in Paris. There is something highly symptomatic underlying the recent and undeniable proof of the failure of the Cuban revolution provided by the 10,000 Cuban citizens who invaded the Peruvian embassy in Havana with the intent of abandoning Cuba. The despair which seized the Cuban masses--"masses" means "people" in the accepted communist jargon--pointed to the sole path to freedom from the poverty and oppression of the totalitarian regime: in fuga salus, i.e. salvation lies in flight. Better to face the storms at sea in frail vessels, better to face the intensive fire of the supreme leader's police than to remain in Castro's paradise.

The millions of refugees fleeing from the countries occupied by the Soviets who, at the end of the 1940's, after the crushing of the Hungarian revolution (1956), after the Berlin wall went up (13 August 1961), have come through the Iron Curtain, defended by fences of electrified barbed wire, observation towers, police dogs and the "green zone of death" (a ditch 10 meters wide plowing cruelly through the fields and settlements along the frontier) understand the state of mind of the Cubans. In fuga salus: better to risk losing life in flight than to remain in this vast concentration camp in which life is not human life.

But the Cuban case is different. Castro loomed in the skies over Latin America, shaken and corrupted by military dictatorships, and in the eyes of the French intelligentsia and left wing, like a star (or comet?) of hope, projecting the illusion of revolution and announcing the myth of the birth of the "new man" free of oligarchy, the chains of imperialism and capitalism, fully to enjoy his personal freedom. Now, however, the frustration of the intelligentsia and the left wing in France and Latin America is tremendous. LE MONDE asserted that those given asylum at the Peruvian embassy in Havana are not members of the bourgeoisie, the oligarchy (whose members represent themselves as democrats) nor the middle class (allergic to the concept of revolution), but "come from the popular strata, are workers and peasants, in principle the beneficiaries of a socialist system the shortcomings, weaknesses, bureaucracy and inefficiency of which are regularly denounced by the leaders themselves, including Fidel Castro." This is the newspaper LE MONDE (described by our correspondent in Paris, Gilles Lapouge, in his commentary today, as "center left," and "flirting with the moderate leftists") which this time asserts the greatest impartiality of which it is capable in stating that "the Cuban leaders have succeeded in concealing the dimensions

of the prison aspect of the Castro regime, which is as great as in the two military and totalitarian regimes in Latin America which Fidel Castro has denounced." Lapouge adds that "it is something new to see as a headline in LIBERATION, the most brilliant of the French leftist newspapers, the following: 'Cuba Is Not Peru' (in French, Peru has the meaning 'Eldorado')." Like the enormous frustration of the French intelligentsia and left wing, the frustration of our committed, clerical and above all authentic leftists must be terrible, if they are not mediocre and ignorant of the communist reality.

The 10,000 fugitives at the Peruvian embassy in Havana destroyed the revolutionary halo surrounding the head of Castro, and put an end to the mirage and the myth of the socialist "new man." Gilles Lapouge admits that, in the view of the French intelligentsia and leftists, Castro's revolution was the last hope. These French intellectuals (and their Latin American imitators) put their hope in the revolution. However, one deception follows another: When Russia began to reveal its true face, the men of the left in France came to the conclusion that the Marxist revolution had deviated from its path because of the evil deeds of Stalin and that the dawn of revolution had to be sought in other corners of the world. However they suffered disappointments in China, Vietnam, and finally, Cuba. This was the ultimate deception.

The Cuban regime revealed its true face, as Satanic as that of Stalinism, when it termed 3 of the 10,000 refugees seeking asylum in the Peruvian embassy "criminals, slum-dwellers, parasites and antisocial elements." Could this be the result of 21 years of socialist construction and indoctrination? In making this statement, GRANMA, in its ideological blindness, signed its own certificate of mental retardation, condemning the regime once and for all. Yet another mirage which has vanished from the skies over Latin America, the Third World, and finally, the French intelligentsia and left wing.

## International Reaction

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 80 p 3

[Text] The PEOPLE'S DAILY, the official organ of the Communist Party of China, a country with 1 billion inhabitants, defined Cuba, a miniscule island with 10 million inhabitants, as the largest country in the world. "Why? Because its government is located in Moscow, its cemetery in Angola, and its people (refugees) in the United States." A former comrade of Castro, who spent 20 years in the prisons of the supreme leader-commissar who betrayed his revolution, properly interpreted the phenomenon of the 10,000 Cubans seeking refuge at the Peruvian embassy in Havana in a search for freedom when he expressed the view that "a popular rebellion is developing in Cuba." But he then expressed his fear that the Soviet Union will intervene to repress it. Huber Matos made this statement: "The events in Cuba are leading to a possible rebellion, and there is the risk

that this rebellion will be crushed by the Soviet troops stationed there and others which would be sent by Moscow." In a newspaper interview sponsored by humanitarian groups in the United States, Matos appealed to "all free governments to make their position known and to seek to avoid this possibility." The objective conditions for a revolutionary explosion in Cuba exist, according to the statements of the Cubans who have already reached Costa Rica, as can also be concluded from the report, carried in our Sunday edition, of the Inter-American Commission on Human Rights, an OAS body. Unfortunately, we are more pessimistic than Huber Matos, a hero of the Sierra Maestra and of the prisons of the man who betrayed the revolution, for the pure Stalinism Castro has established with Soviet military aid on his island is capable of suppressing even the earthiest rebellion, and on the other hand, it is difficult to imagine that the United States and the other Western countries would do in Cuba what they failed to do in Hungary, Czechoslovakia, and, most recently, in Afghanistan.

It is absolutely unimaginable that Castro would commit the "error" of which Imre Nagy in Hungary and Alexander Dubcek in Czechoslovakia, as well as two of Karmal's predecessors in Afghanistan, were guilty and for which they were punished--i.e. allowing the flowering of the "springtime" of liberalization. When the events of the Prague springtime developed, Soviet troops were not stationed in Czechoslovakia; they were sent there immediately after its blossoming. In the early days of the revolution in Hungary, the country crushed the four Russian regiments stationed there, but 7 days later it could not resist the 200,000 Russian soldiers who reestablished communist orthodoxy. But 18,000 soldiers, of whom 4 or 5,000 are members of combat units, are in Cuba, because this time the Russians do not want to be surprised by spontaneous revolution. Even so, PRAVDA seemed to acknowledge that Matos was right in referring to the possibility of intervention by Soviet troops to crush a rebellion against Castro. PRAVDA said that "the United States sh uld not forget that Cuba is not alone." There is to be sure still a U.S. base on the island (Guantanamo). However, the entire island has been converted into a Soviet military base,about which PRAVDA prudently said nothing. A question occurs to us: what will be the mission and the fate of the U.S. emergency troops Carter promised to station at Key West?

But, as we said, the objective conditions for a violent explosion of spontaneous rebellion exist in Cuba. One of the Cuban refugees in Costa Rica said that the rationing system allowed him to buy 2.5 kilograms of rice a month and 300 grams of beans per person, almost a liter of cooking oil, a chunk of ham 5 centimeters square, and 300 grams of coffee per week. Another deponent, giving identical data, added that each individual has the right to 3/4 of a pound of meat every 30 or 40 days. These products are bought with booklets at the government stores. Therefore, the black market flourishes. But the government is aware of this and has created a red market, that is to say a black market established by the state itself. And their prices are up to 300 percent higher. For example,

a shirt worth 5 pesos goes for 100, and so on. And the Cuban population has lived under this system since Castro seized power in 1959. How long will it tolerate these conditions of life?

The report of the Inter-American Commission on Human Rights describes the conditions in the prisons and the concentration camps. "The Cuban political prisoners spend years in confinement . . . under conditions worse than for rabid dogs, in cells where the windows are hermetically blocked with slates, with a hole in the corner as the only sanitary facility, where (human waste) accumulates, making the limited volume of air fetid to the point of being unbreatheable . . . and subject to the most alienating and merciless plan for physical annihilation and biological experiments ever seen in the Western world. They are not men, but specters covered with skin, human ragbags." This is what the OAS has to say about the Cuban gulag. To this those charged with "counterrevolutionary" crimes committed against the taboo of the socialist state are condemned.

## Cuban Economic Problems

Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 May 80 p 10

[Text] In a skillful statement from the electoral point of view, President Carter has announced that the United States will welcome with open arms as many Cubans as want to take to the sea to abandon the Castro regime. This generosity readily suited a man who had just suffered a harsh political reverse, and the United States has traditionally been a multiracial society, a characteristic for which it pays and will continue to pay a specific price.

With all the difficulties facing it, the U.S. economy still seems capable of supporting another few tens of thousands of mouths, added to the some 800,000 Cubans who have settled in the United States in recent years.

The same cannot be said of the Cuban economy, in which the crisis is certainly related to this "opening of the gates." The crisis is so serious that the regime is finally trying to purge itself of the demon of self-pity. Instead of condemning the economic blockade imposed by Washington in 1961, as usual, the brother of Fidel Castro, Minister Raul Castro, proposes "an end to violations of discipline, lack of supervision, irresponsibility, tolerance and negligence."

Cuba has come to the sore point for every socialist regime: If the state supplies all goods, why should a worker concern himself about productivity, if the worst that can befall him is to be made "available" awaiting transfer, even so receiving 70 percent of his wage?

Not only is the Cuban economy not advancing, but its dependence on the Soviet Union is steadily increasing. Thus emergency measures have been proposed, which in this case as always mean reviving private enterprise.

There are already plans for a "free market" of farm goods, where individual producers can sell what they can produce in excess of the quota pre-established to supply the state. The government hopes thus to supply the urban centers with fruits, vegetables, meat, eggs, etc, which are currently in short supply. It also plans a labor reform making it possible to demand more of the workers, and to pay employees as a function of their skills and not just seniority or revolutionary fervor.

Thus the regime is seeking escape from the shifting sands of bureaucracy, which inevitably plague centralized regimes.

The political problem, which now has become evident, remains to be resolved. But for this there is no solution in sight. Cuba is living the ideological sophism represented by the indefinite duration of a regime which is no longer even that of the single party, for Fidel Castro is both "the law and the prophets" together.

This is the case of petitio principii, giving a regime of this sort a blank check until it succeeds in creating the "new man" or proving it is right.

As nothing lasts forever, and as the "new man" is not yet in sight, the malcontents, people who would simply like after 20 years to review the data on the problem, are finally appearing. As these dissident voices are not and never were foreseen in the revolutionary "project," they are regarded as pariahs, as undesirables. It is necessary to prove at all cost, and soon, that the regime continues to be entirely right. And if this is not possible, it is better to allow them to go. In one way or another, the political price is very high. Cuba will probably never be the same again after this unexpected internal convulsion.

## Meaning of the Cubans' Flight

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 May 80 p 3

[Text] The infamous tactics used by Castro to convert the resounding failure in the plebiscite of the thousands of Cuban refugees seeking asylum in the embassies in Havana into a serious social problem for the United States are a shock to the conscience of men the world over. Peru asked all nations for help, particularly those in the Americas, in order to put an end to the drama of the 10,800 Cubans given refuge at its embassy in Havana, unequipped to shelter such a large number of persons. The United States, which has already provided refuge on its territory for 800,000 Cuban exiles (18,000 have arrived in the last 3 years), expressed its willingness to accept another 3,500. Peru, Spain and Costa Rica in turn indicated willingness to accept some thousands more. However, taking into account the precarious conditions under which the 10,000 refugees are living on the grounds of the Peruvian embassy, Washington proposed that they initially be transported by air to Costa Rica, from which they could then be distributed among the countries offering them asylum. This measure

displeased the bearded leader, however, in whose view the 10,800 refugees at the Peruvian embassy are all common criminals, drug addicts and prostitutes, and therefore antisocial elements. The Cuban commissar of the Kremlin did not even realize that his thesis is testimony against himself, because it means the implicit acknowledgement that his regime, imposed on that unhappy island 21 years ago, has not liberated the population from the plagues of capitalism, but has liberated all the antisocial instincts, for after all, not only do the 10,800 refugees at the Peruvian embassy in Havana want to emigrate, preferably to the United States--that capitalist hell, as the communist propaganda describes the democratic superpower--but also many thousands more, tens of thousands, want to seek freedom in the land of the "imperialists."

Opposing the U.S. suggestion, Castro authorized the functioning of a "sea bridge," allowing the Cubans discontent with his regime to be transported in small and unsafe vessels chartered by their relatives living in Florida. This was because Castro wants to reserve for himself the sifting of the refugees who will be authorized to leave the country. The owners of boats are allowed to collect members of their families on condition that they also take as passengers a certain number of undesirables. Among these people there are real dropouts and prostitutes, drug addicts and common criminals and other elements undesirable from the point of view of the regime, chosen by the supreme leader and his henchmen. It is in this way that Castro is seeking to convert the plebiscite vote against his regime into a great purge by means of which he can rid himself both of antisocial elements and the discontents and decrease the number of inhabitants on the island which the regime simply is not capable of feeding. This is a nefarious plan which only a wholly amoral and Mephistophelian intelligence could contrive. Its purpose was to confront the United States with a serious dilemma: on the one hand, United States legislation prohibits and imposes fines for the immigration of undocumented individuals, while on the other, the acceptance of refugees who have been persecuted by dictatorial regimes is one of the most sacred traditions of the American nation.

The United States opted for its humanitarian and libertarian tradition, since although imposing fines on those who transport Cubans illegally, it is accepting all those seeking asylum on its territory. Since 22 April last, about 20,000 (a daily average of 300) Cubans have left their country to find refuge in the United States. It remains, in addition to this, for the U.S. authorities to separate the common criminals from the mass of refugees in order to deal with them properly. Now if the civilized and democratic countries have the duty, in the name of human rights, to provide the exiles with asylum, the declaration of human rights itself guarantees the right of citizens to a worthy life in their country of origin and to leave the land which does not provide the minimum necessary for life with dignity and freedom. Although the task of aiding the Cuban people to free themselves from this enslaving regime was delegated to the Americans in 1961 and 1962, now, with the double goal of remedying its

omissions and honoring its traditional commitment as a hospitable and welcoming country, the United States must bear the main onus of providing bed and board to this new "floating population" to whom, as to those in Vietnam, the sea beckons, offering the possibility of arrival at a safe port, if it does not become a vast cemetery. But the United States has the right, at the conference meeting in Costa Rica, to ask for the cooperation of the Latin American nations and the prosperous countries of Europe in this project, humanitarian par excellence, in providing worthy conditions of life for the refugees.

The massive flight of the Cubans is a plebiscite. But so are the scenes of boundless joy observed in the United States with each refugee arrival, when in tears the people kiss the earth where they hope to begin a new life--the land of the "exploiting" capitalists and "diabolical" imperialists.

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CSO: 3001

SOVIET OFFER OF AID IN OIL EXPLORATION DISCUSSED

Technology Offer Accepted

Rio de Janeiro O GLOBO in Portuguese 3 Jun 80 p 20

[Text] Brasilia--The Itamaraty Palace announced yesterday, through interim spokesman Jose Vicente Pimentel, that Brazil has accepted an offer of technology from the Soviet Union in the oil studies and prospecting sectors. This proposal has been under study by the technical bodies at the Ministry of Mines and Energy.

The diplomatic spokesman announced that the offer, involving basically the dispatch of experts, was submitted to the Itamaraty Palace at the end of 1979, but he declined to give further details about the matter, stating that "the implementation of this aid is outside the scope of the Ministry of Foreign Relations."

This explanation by the Itamaraty Palace came in connection with a report from Moscow published last Sunday in JORNAL DE BRASILIA [?JORNAL DO BRASIL], under the headline "Brazil Silent About Russian Oil Research."

Quoting Soviet authorities--the holder of the basic research theory chair at the Moscow Oil Chemistry and Gas Industry Institute, Ernest Barikov Aleksandrovich, and an expert in the economic relations department of the USSR State Committee, Boris Nicolaisv Alekseyvich--the report says that a trade mission from the Soviet Union which visited Brasilia last October offered to send a group of its best experts to Brazil to make a complete survey of the oil-yielding potential of the country and to draft an extensive report to strengthen national efforts to establish Brazilian reserves. The article goes on to say that the Brazilian government, failing to respond to the offer, had kept silent about it.

Jose Vicente Pimentel confirmed that the USSR had made an offer to search for oil in Brazil, but he denied that the Brazilian government had refused the offer. On the contrary, he said, the offer of aid was accepted and the press was not informed because it was not in the interests of the Itamaraty Palace to announce the Russian offer.

Report

A source at the Itamaraty Palace said yesterday that this is not the first time the Soviets have offered to search for oil in Brazil. During the Joao Goulart government in 1963, a group of USSR experts made a broad survey of the oil-bearing areas in Brazil and drafted a document which became a part of a broader report on the presumed deposits existing throughout South America.

According to the Soviet experts, Brazil is the second most important territory in the world in terms of oil-bearing prospects, surpassed only by the USSR itself, the largest world producer of oil, although not the largest exporter. According to the book "Petroleum and Gas Geology" published in Moscow this year, Brazil has 6 oil-bearing areas accounting for 30 percent of the South American potential: the upper Amazon region, lower Amazon region, Maranhao, the Bahia environs, Sergipe and Alagoas.

Brazil had earlier imported oil from the USSR, but its purchases were suspended in 1976, reportedly for political reasons. As of last year, however, the Brazilian government has again indicated interest in Soviet oil. Last October, when USSR Deputy Minister of Foreign Trade Aleksey Manzhulo visited Brazil, some possibilities were explored. The immediate response was that the USSR would study the possibility of including Brazil among its customers again this year, but it was made clear that priority would be given to the CEMA countries. It is now known that the Russian trade mission also offered technical aid, which Brazil accepted. The Itamaraty Palace then turned the matter over to the Ministry of Mines and Energy which is making a study of it.

## Study Continues

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jun 80 p 23

[Text] Rio de Janeiro--The possibility that the Soviet Union will provide Brazil with aid in exploring for oil still remains on the diplomatic level, and to date the PETROBRAS [Brazilian Petroleum Corporation] has received no clarification about how cooperation will be implemented.

This information was obtained from the PETROBRAS authorities yesterday, when it was learned that the possibility of Soviet aid was considered in the agreement on intentions signed at the end of last year by the Itamaraty Palace and the USSR Ministry of Foreign Affairs.

Currently PETROBRAS is awaiting details of the Soviet proposal, for purposes of study to establish the desirability of acceptance. According to the PETROBRAS technicians, the USSR has great experience in the production of oil and the manufacture of equipment for the drilling of wells.

The first time the Soviet Union participated in oil exploration work in Brazil was in 1963, on the recommendation of Francisco Mangabeira, then president of PETROBRAS. Dissatisfied with the results of the Link report, which showed limited oil-bearing possibilities in the sedimentary land basins in the country, Mangabeira arranged for a delegation of Soviet technicians to come to the country for the purpose of reassessing the report.

The Soviet mission, headed by geologist Ernest Bakirov, now listed as the head of the new mission, declared the study invalid, and concluded that Brazil offered a broad potential for oil production. The work of the USSR geologists was based on technical data supplied by PETROBRAS, and to date its conclusions have never been confirmed.

## Soviet Role Questioned

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jun 80 p 23

[Editorial: "Why Participation by Just the Soviets?"]

[Text] Brazil is likely to accept the proposal made by the Soviet Union that it cooperate in searching for oil on our territory. This is no novelty, for a number of times the Soviets have offered to collaborate with Brazil in this connection.

Immediately after the conclusions of the Link report, the Brazilian government commissioned a team of technicians to reassess the studies made up to that point, and they reached conclusions which have not been confirmed. More recently, under the Joao Goulart government, Soviet technicians also made studies in Brazil and elsewhere in South America, concluding in general terms that there was a possibility of the existence of oil in some areas of our national territory.

The Soviet proposal to resume research in Brazil has been welcomed, because we cannot at this time refuse to accept any cooperation enabling us to increase our knowledge about the domestic oil potential. We are surprised only that the government and PETROBRAS, to date so uninclined toward any type of foreign cooperation, have decided to permit prospecting by a country which although a large producer, is not among those most technologically advanced in the field, mainly in offshore processing.

Why only the Soviets, and not the British and the Americans, who have much more extensive experience as a result of the exceptional work done in the North Sea? It might be argued that only the USSR has offered to collaborate with Brazil, which is certainly not true, since all of the countries outside the OPEC are interested in discovering new oil reserves in order to reduce world dependence on the cartel of 13 producers. Furthermore, if Great Britain, through the enterprises functioning there, has not offered to cooperate with Brazil, perhaps because of the aggressive attitude we have

always adopted with regard to foreign cooperation, our country should take the step, in this truly dramatic situation, of asking for such cooperation.

The prospects for Brazilian oil are so serious, to the point of threatening the stability of the national economy, that the government should establish for PETROBRAS a broad and total open approach, soliciting and offering attractive conditions for those who want to prospect here, following the example of what Argentina is doing. On the contrary, however, PETROBRAS continues to resist the instructions of the government, to the point that Minister Cesar Cals launched an investigation to see if the enterprise was in fact carrying out the specific Telex instructions sent on the orders of the president of the republic calling for a liberalization of the terms of future risk contracts.

The statements by Carlos Walter Marinho and Marques Netto in the Federal Chamber were more than clear and explicit enough to clear up any shadow of a doubt: PETROBRAS has neither adequate resources nor technical capabilities to enable it to achieve the production goal of 500,000 barrels per day by 1985, the year in which consumption will have increased to at least 1.5 million barrels per day, according to the Brazilian energy model.

Given this official information and the announcement that the Soviet Union will cooperate with Brazil in prospecting for oil, one can only ask why just the Soviet Union? Why not all the other nations which have advanced technology? Why not France, the United States, England, Japan and Italy?

It is necessary to stress once again that we are at least 10 years behind, and any prospecting done in Brazil from now on by the Russians, Americans, Japanese, Italians, Swedes, British, or Canadians (whoever) cannot resolve the terrible challenge of dependence on imported oil until at least 1985, when we will have to be spending about $100 billion on oil imports.

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CSO: 3001

ESTIMATED DOMESTIC OIL PRODUCTION FOR 1985 DISCUSSED

Cals Confirms Capacity

Brasilia CORREIO BRAZILIENSE in Portuguese 30 May 80 p 6

[Text] Sao Paulo--Minister Cesar Cals gave assurance again yesterday that "by the end of President Figueiredo's term," i.e. by 1985, Brazil will be producing about 500,000 barrels of oil per day, contradicting the PETROBRAS [Brazilian Petroleum Corporation] statement that only 374,000 barrels can be produced.

He made these statements at the Bandeirantes Palace, where he participated in the ceremony for the signing of three agreements between his ministry and the Sao Paulo government. The first, involving 600 million cruzeiros, has to do with the building of 3 semi-industrial units to produce methanol through the gassification of wood in Jupia, while the other 2 are designed to ensure the rational exploitation of ores in greater Sao Paulo and the valley of the Ribeira de Iguape River.

He explained that the goal of 500,000 barrels per day will be achieved with a production increase to 250,000 barrels in the Campos Basin, where 2 new structures with a substantial production potential are now being explored. There are in addition to this good prospects for success in the prospecting now being done in the Amazon region, on the basis of samples obtained in drilling already done.

In the opinion of Cesar Cals, the PETROBRAS estimates, which were announced yesterday by the director of prospecting, Carlos Walter Marinho Campos, who said that Brazilian production will be 374,000 barrels per day at a maximum by 1985, must have been based on the potential of the wells already measured alone.

"We have great confidence in the productive capacity of these two new Campos structures--one of them of 18,000 square kilometers, and those which are being found in the North. You can be sure we will reach the 5,000-barrel level," he said.

According to the minister, the expansion of Brazilian oil reserves since the beginning of the Figueiredo government is another reason for optimism. "In only one year," he said, "there has been a 10.6-percent increase." He said that during the same period, production increased from 170,000 to 200,000 barrels per day. By the end of this year, we will be taking out 220,000, i.e. almost half of the figure set as the 1985 goal, relying solely on wells already established."

Apart from the oil prospecting program which will be focused from now on on the Amazon region, Cals also guaranteed priority for alternative fuels such as coal, apart from continuity in the nuclear program. He also spoke of the Carajas project for the prospecting of iron ore which "will require investments regarded as very high--$30 billion U.S.--but which, when operations are begun, will guarantee a return of $10 billion U.S. per year."

He said that the 10-year plan for the development of mineral resources now being drafted by the Ministry of Mines and Energy will also bring an enormous flow of foreign exchange into the country beginning as early as 1985. One of the goals of the plan, which includes Carajas and other rational ore exploration projects, is to transform Brazil into one of the largest world exporters of semi-industrialized ores.

With the programs being pursued, he said, the Tucurui Plant, previously regarded as a project doomed to partial use, "now proves too small in relative terms. Therefore we are already planning the construction of two more plants in the region--Santa Isabel on the Tocantins River, and Carolina on the Araguaia--to help to fill the future energy needs of the area."

During his visit to Sao Paulo, Minister Cesar Cals also sought to reassure alcohol vehicle drivers, particularly taxi drivers, stating that "the price of this product will never exceed 65 percent of the price of gasoline. This price differential may be even less, but never greater."

## PETROBRAS Estimate Endorsed

Brasilia CORREIO BRAZILIENSE in Portuguese 31 May 80 p 9

[Text] Pousada do Rio Quente--The vice president of the republic, Aureliano Chaves, said here yesterday that Brazil will be producing 350,000 barrels of oil per day by 1985, and that production of 500,000 barrels of oil per day, an estimate the authorities at the Ministry of Mines and Energy have repeatedly emphasized, is not very likely. Aureliano gave a 30-minute speech about the importance of energy alternatives in the development of enterprises to about 100 businessmen, politicians and technicians participating in the First Meeting of Center-West Region Businessmen sponsored by the CEDEB in Brasilia. The vice president stated that drilling oil wells is the only way of finding oil, but he warned of the risk of spending millions of cruzeiros and finding nothing. For these reasons,

Aureliano said, the resources applied in the sector for oil must be allocated, with a part for new investments in prospecting and another part for the purchase of the product abroad.

If we are not obtaining results justifying euphoria economically, the truth is that we are not being entirely frustrated. The vice president of the republic voiced optimism, referring to the possibility that PETROBRAS will find oil in the Amazon basin.

In an encouraging message to the businessmen attending the opening session, Aureliano Chaves said the search for new sources of energy to reduce our dependence on oil, which is today eating up 50 percent of our export total, is a challenge to all Brazilians.

Concerning another source of energy, coal, the vice president of the republic, who is also president of the National Energy Commission, believes that only with a new transportation and ports structure can Brazil advance from its insignificant current production of 4 million tons per year to 12 million in quite a short period. Aureliano also referred to PROALCOOL [National Alcohol Program] at the end of his speech. He said that the government is turning over 80 percent of the investment in this program to private businesses for use as a kind of financing, leaving them with the responsibility for only 20 percent, with a production goal of 10.7 billion liters per year by 1985 having been defined. The goal is ambitious, the vice president admitted, mainly when it is realized that the domestic enterprises lack capital. In answer to a question by a newsman as he left the hall where he gave the speech, Aureliano denied that the national alcohol program is lagging. He gave assurance that 60 percent of all the planned projects have already been approved by the government, and 40 percent of the plants are already operating. Concerning the criticism of high fuel consumption with regard to alcohol engines, the vice president said that that Aerospace Technology Center in Sao Paulo is developing an engine with domestic technology for small vehicles which will consume alcohol in the same proportion as gasoline.

The opening session of the First Meeting of Center-West Businessmen was attended by the vice governor of Goias, Rui Cavalcante, PDS [Social Democratic Party] and PMDB [Brazilian Democratic Movement Party] politicians, technicians, and representatives of the trade and industry federations and associations of Brasilia, Goias, Mato Grosso, Mato Grosso do Sul and Minas Gerais. The sessions will continue until tomorrow and Minister of Industry and Commerce Camilo Penna is scheduled to give the closing address.

## Cals's Estimates Challenged

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 May 80 p 1

[Text] Brasilia--Of the 500,000 barrels of oil per day that Minister of Mines and Energy Cesar Cals promised President Figueiredo PETROBRAS could be producing by 1985, that enterprise can only guarantee 374,000 as of the present. The remaining 126,000 barrels per day have yet to be discovered. This report on production in connection with the PETROBRAS 5-year plan for 1980-85 was revealed yesterday by the prospecting director, Carlos Valter Marinho Campos, who testified before a CPI [Congressional Investigating Commission] in the Chamber of Deputies.

Questioned later during an interview with journalists about whether the 500,000-barrel-per-day figure mentioned by the minister was a figure chosen arbitrarily, the director of PETROBRAS said that this was not the case, since he thinks that "the goal cannot be achieved, but it is reasonable to set such a goal and pursue it. The minister was not speaking idly," he said. He added however that due to the average time lag between the discovery of a new oil field and putting it into production, ranging from 5 to 6 years, the company can only count on production of 500,000 barrels of oil per day by 1985 if the new fields discovered go into production on an early and not yet definitive basis.

### New Criteria

Mr Carlos Valter said that the concept of commercial or non-commercial wells has changed greatly recently and today there are practically no producing wells which cannot be regarded as commercial. "If a well (on land) seems capable of producing oil, we will put it into production. It may be 2, 5, 10 or 20 barrels per day, it does not matter."

In this connection he noted that in the United States more than a million barrels of oil a day are produced solely from the so-called stripper wells, with production of less than 10 barrels per day and an average of 2.6. The average production for all wells in the United States is only 16 barrels per day.

As to maritime exploitation, the criteria have changed somewhat, he said. The commercial nature of a well depends greatly on the situation in which it is found, for example depth of the water layer, whether or not a collection infrastructure exists in the area, depth of the well, etc. He noted for example that if the 1 APS-31A well on the Amapa continental shelf, more than 200 kilometers from the coastline, were to produce 400,000 barrels per day, for example, it would not be regarded as commercial.

### Amapa

Explaining the failure of the Amapa well which had been thought to be a certain producer, the prospecting director of PETROBRAS noted that the

reason for the optimism, including his own, was the characteristics of the way the drilling proceeded. He said that the main point leading the technicians to early optimism was the high level of resistance seen in the tests, which is characteristic where oil exists.

However, sweet water also causes high resistance just as oil does, unlike brackish or salty water, which has low resistance. "Unfortunately the liquid found was sweet water and not oil," he commented.

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CSO: 3001

NEW ECONOMIC MEASURES TO CONTROL INFLATION MAY BE ISSUED

PY291206 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 May 80 p 22

[Excerpts] The government may implement new economic-financial measures to offset the effects of the recent oil price increase. These measures will probably be announced next week by President Joao Figueiredo during a special meeting at the Economy Ministry in Brasilia. He should then make a dramatic call upon the people in an effort to make them understand the difficulties the country is facing. Yesterday, Planning Minister Delfim Netto cancelled all engagements on his agenda to spend most of the day at the Planalto Palace, where he met with Gen Golbery do Couto e Silva and Finance Minister Ernane Galveas. The president of Vale do Rio Doce Company, Eliezer Batista, also participated in this meeting.

Some of the economic measures about which a decision should be made in the next few hours are: More restriction on imports; some specific action "other than rationing" in regard to fuel consumption; a substantial hike in the prices of gasoline, as well as in those of diesel oil and fuel oil, which are already partly subsidized.

President Figueiredo did not set a deadline for the planning minister to control inflation, but government leaks have revealed that Netto himself has imposed deadlines for gradual reductions of the inflation rate in the hope that the economic measures which were adopted earlier, namely the maxidevaluation of the cruzeiro imposed last December, will begin to give positive results.

Emphasis continues to be placed on increasing exports in order to bring the balance of payments to a point of equilibrium. There is the possibility that some measures in the export sector will be included in the economic package to be announced next week.

Last night, there were speculations about an alleged invitation extended to Ambassador Roberto Campos to become economy minister. "He is very happy preparing his campaign for a senate seat, and he will have the full support of the government to become a congressman in 1982." Despite this fact, many government sectors consider it possible that the present Brazilian ambassador to the UK will become the next economy minister, if Minister Delfim Netto fails to fulfill his own deadlines.

CSO: 3001

## BRIEFS

HUMAN RIGHTS ADVOCATE ATTACKED--Belem, Brazil, 8 Jun (AFP)--It was reported here today that communist-hunting commandoes (CCC) yesterday burned the car of a Belem book store employee, Raimundo Jinkings, who is also a labor leader and member of the Society for the Defense of Human Rights of Para State, Brazil. The CCC released a communique in which it threatens to burn the book store and kill all the members of the Pastoral Land Commission, which is a church supported organization devoted to the defense of peasant rights against big land owners. The communique, sent by mail to the Pastoral Land Commission, states: "You, members of the Pastoral Land Commission are a band of communists, and your names are written on the list of those who are going to die." The CCC is a clandestine organization which on several occasions has attacked priests and laymen who support human rights and social justice, as well as leftist organizations and newspapers. One of the victims of the CCC was Dom Adriano Hipolito, bishop of Nova Iguacu, outside Rio de Janeiro, who was kidnapped, beaten and left covered with red paint in September 1976, and in 1979 his cathedral was the target of a bomb attack. [Text] [PY101754 Paris AFP in Spanish 1643 GMT 8 Jun 80]

APPROVAL OF ADDITIONAL FUNDS--President Joao Figueiredo today submitted to the national congress a bill requesting that the executive branch be authorized to open credits of up to a maximum of 311 billion cruzeiros in addition to the federal government's budget. These credits are in line with the surplus revenue collected by the national treasury. If approved by the national congress, the federal government intends to use these funds to attend to personnel and social expenditures and to budgeted projects designed to promote agriculture and to reverse the inflationary process. [Text] [PY100409 Brasilia Domestic Service in Portuguese 2200 GMT 9 Jun 80]

BONDS TO BE ISSUED--The auditor general of the Finance Ministry Cid Heraclito de Queiros yesterday disclosed that Brazil will place $160 million worth of bonds on FRG and Japanese stock markets. The contract to place [illegible] worth of bonds on the FRG market will be signed on 28 May with the [illegible] Bank, and the contract to sell 20 billion yen worth of bonds in Japan will be signed on 5 June with a consortium of financial corporations led by the Nomura Securities. The two operations involve a total of $160 million. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 May 80 p 36]

DROUGHT IN NORTHEASTERN REGION--Recife, Brazil, 3 Jun (AFP)--The Superintendency for the Development of the Northeast (SUDENE) has reported that 9,225,000 persons in 542 municipalities of 8 states of this region have been affected by the long drought. These municipalities have been placed in a state of emergency to get federal support. The drought has destroyed corn, bean and cotton production and is causing serious damage to cattle. [PY041804 Paris AFP in Spanish 1515 GMT 3 Jun 80]

PERSONS MISSING IN ARGENTINA--Three Brazilians are missing or dead in Argentina. The Brazilian Commission of Relatives of Dead or Missing Persons of Sao Paulo has submitted a note to the Argentine consul asking for their release. The note contains the names of the following Brazilians: (Roberto Rascado Rodrigues), kidnapped by the Argentine Navy and missing since 1976; (Sidney Six Marques do Santos), kidnapped by the Argentine Federal Police in February 1976; and (Jorge Alberto Basto), from Rio Grande do Sul State, who has been missing since April 1976. [Text] [PY151715 Porto Alegre Radio Gaucha in Portuguese 1545 GMT 15 May 80]

CSO: 3001

## BRIEFS

STRONG TREMOR HITS--Arica, Chile, 26 May (AFP)--A strong tremor shook this city located in northern Chile today. Its epicenter, however, was located in the southern part of Peru according to early reports. The movement registered 5 degrees on the international 12-point scale here and was felt at 1441 local time (1841 GMT), the Geophysical and Seismological Institute of the University of Chile has reported. Radio Arica has reported that in addition to alarming the city's 80,000 people, the tremor caused the collapse of some buildings and other property damage. According to official reports, the epicenter was located under the sea, 167 km north of here, in Peruvian territory. [Text] [PY270147 Paris AFP in Spanish 2319 GMT 26 May 80]

CSO: 3010

PLAZAS ALCID ANNOUNCES CANDIDACY FOR PRESIDENTIAL DESIGNATE

Bogota EL TIEMPO in Spanish 8 May 80 pp 1-A, 6-A

[Article by Gabriel Gutierrez, special for EL TIEMPO: "Plazas Agrees To Be a Candidate for Presidential Designate"]

[Text] Moscow--In this capital of the socialist world not everything is necessarily connected with the Olympic Games that will get under way on 24 July 1980 with or without the participation of the United States. There are also events which are related to Colombian politics.

Indeed, Colombia's ambassador Guillermo Plazas Alcid made official his candidacy for presidential designate together with Victor Mosquera Chaux and Jorge Mario Eastman, all of them members of the Liberal Party [PL].

Plazas announced this decision in a talk with Colombian newsmen who are visiting the Soviet Union and said that at the proper time he would inform President Julio Cesar Turbay Ayala, the former Liberal Party presidents, his party's national executive, and the members of the Colombian congress.

The Liberal Party diplomat noted that whoever supports his candidacy for presidential designate is authorized to promote it but he explained that at this time he does not have plans to travel to Bogota and campaign for this purpose.

"I am not presenting myself as a personal antagonist or political rival of anyone but rather as a different, autonomous alternative though in no way a conflicting one," ambassador Plazas noted on making the announcement.

A few days earlier Plazas received a telephone call from Jorge Mario Eastman whom he informed of his intention of running, too, as candidate for that high position [presidential designate] in succession to Gustavo Balcazar Monzon whose 2-year term expires on 7 August 1980.

Balcazar Monzon traveled from London to Belgrade to attend the funeral of President Josip Broz Tito of Yugoslavia and stressed that he would go to Bogota in mid-May.

In diplomatic circles in Colombia and Europe there is comment about the possibility that Presidential Designate Balcazar Monzon may possibly replace President Turbay Ayala if the latter should decide to make a visit to the United States.

Balcazar said that he has no interest in being re-elected as presidential designate and now his succession is limited to the names of Mosquera, Plazas and Eastman if no changes occur in this process.

Plazas said: "If the president of Colombia, Julio Cesar Turbay Ayala, does not have any objection to make in this connection I shall take the liberty of presenting to the judicious scrutiny of my party first and then to the informed consideration of the National Congress my name as candidate for presidential designate.

"The only claim that I make to this tremendous honor is that of being an ordinary and regular Colombian. My life or person have nothing special to place me above or below my fellow-citizens.

"I therefore do not present myself as a personal antagonist or political rival of anyone but rather as a different, autonomous alternative though in no way a conflicting one. For this reason my attitude will not be belligerent on any account vis-a-vis whoever else may nourish similar aspirations all of which are equally worthy, respectable and legitimate as fas as I am concerned.

"I shall not wage a campaign beyond respectfully informing each of my colleagues in parliament of my aspiration--which I desire that they share wisdom and understanding and knowing the primordial interests of the republic and the party, may autonomously respond with favor or reject it considering that the election of the presidential designate, following nomination by the Liberal Party, will be done by the National Congress of which I have been a member for 14 years and whose president I was honored to be, the reason why the parliamentary gentlemen know me sufficiently well.

"The high dignity of this responsibility and the grave commitment of its charge result in the fact that deserving it is almost more important than winning it. Whoever presents himself as candidate for presidential designate cannot pledge anything but to comply with the Constitution and the laws of Colombia faithfully and loyally. Subject to this rigorous ethical and legal assumption whoever has sympathy for my candidacy for the position of presidential designate is authorized to promote it being secure in the knowledge that whatever may be its result we shall always have the profound satisfaction of having fulfilled what history dictated at this moment.

"I remember perfectly well what occurred in the initially eventful election of the presidential designate in 1966 and I remember very well what Turbay Ayala said on that occasion: 'Great honors must be achieved with great

dignity.' And that is my aspiration now, one which, following God's will, I place in the hands of the president of Colombia, the Liberal Party, the National Congress, and naturally from this point submit to the most rigorous scrutiny of public opinion.

"Regarding this decision I shall at the appropriate time and in turn inform the Colombian president, Dr Julio Cesar Turbay Ayala, the former presidents of the Liberal Party, the national executive of the Liberal Party, the worthy members of the National Congress, and the mass media."

Ambassador Guillermo Plazas Alcid made official in Moscow the launching of his candidacy for presidential designate. The Liberal Party diplomat said that those who support his candidacy for presidential designate are authorized to promote it but he noted that he does not have plans to travel to Bogota to campaign for the position (see the text of his interview with EL TIEMPO's Gabriel Gutierrez).

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CSO: 3010

## NEW AMBASSADOR TO CHINA APPOINTED

Bogota EL ESPECTADOR in Spanish 9 May 80 p 5-A

[Text] 8 May (UPI)--Businessman Julio Mario Santodomingo was appointed ambassador of Colombia in Beijing, spokesmen of the Ministry of Foreign Affairs reported today.

The new diplomat, the owner of several firms and of the periodical DIARIO DEL CARIBE of the city of Barranquilla, will be the first Colombian to hold that position following the opening of diplomatic relations by the two countries.

Julio Mario Santodomingo, Colombia's ambassador in Peking.

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## DISSENSIONS IN M-19 ORGANIZATION REPORTED

Bogota EL SIGLO in Spanish 3 May 80 p 12

[Text] An acute crisis is facing the M-19 movement as a result of the appearance of various "commandos" who do not approve of the way in which the movement's leadership is operating and who call for a total change in the action programs.

According to a document which got to be known yesterday through the newssheet CINEVISION, an interim directorate called "Heroes of 3 January 1979" has been active since the close of last year. According to the document which consists of 19 official sized pages and is divided into seven chapters, thus directorate has threatened to resign from the organization if its demands are not taken into account by the movement's superior organs.

In the document the interim directorate accused the national leadership of the M-19 movement of shifting constnatly more to the right and harassing those who are truly Marxist-Leninists.

The interim directorate held that in the existing M-19 organization there is only one policy, that of the national leadership, which refuses to hear the demands and suggestions of the activists.

In one of the crucial sections of its criticisms of the members of M-19's national leadership, the interim directorate asserted that the former strive to continue to use negative processes "which in other countries have already been rejected" and that they believe they are the only ones capable of moving the masses. They wish to continue, the document added, being spectacular in their actions as they have been heretofore, "but in this way we shall all end up in the cemetery, at Picota [jail], or in the embassies."

Furthermore, the so-called interim directorate asserted that nothing justifies the name of 19 April Movement for the Colombian working class since the people are aware of the type of leaders to which the members of ANAPO [National Popular Alliance] belonged and their maneuvers to win the elections in 1970. And in another section the interim directorate asserted that it was not possible to continue invoking on behalf of the movement the name of an assassin like Gen Gustavo Rojas Pinilla.

The interim directorate, following another series of criticisms leveled at M-19's national leadership and of what it called its steering division, proposed in the interest of settling the matter to hold some talks with the rank and file for the recognition of its authority and also a written response by the movement's top leaders to the proposals that it has made. Furthermore, it demanded "a clear answer regarding the true causes and the guilt that the leadership bears as regards the very base and stupid way in which our comrades of 3 January 1979 died as did those of July 1979 for a miserable 60,000 pesos, and the same for all those who were killed or taken prisoner." The interim directorate then asserted that it is not a secret to anyone that all these events were due to numerous errors in leadership, ideology and politics.

The interim directorate also accused the national leadership of giving up all activism in pursuing its interests and cited the case of a sick female companion to whom all help was denied. Finally, the interim directorate ended up by issuing a call to all the commandos and activists of the organization "to all become aware of the problems and decide to struggle for our real national interests. We call on every individual who feels he has been deceived, who disagrees with the organization's policy whether in form or because he rejects exclusive militarism, to be cannon fodder for an entire, practically bourgeois, policy of the organization.

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VALUE OF PESO CONTINUES TO SLIP

Bogota EL TIEMPO in Spanish 11 May 80 pp 1-A, 7-A

[Article by Fernando Barrero]

[Text] Devaluation of the Colombian peso with reference to the dollar reached a rate unprecedented since 1968, when the gradual system was adopted.

According to the National Coffeegrowers Federation, the equivalent annual devaluation rate reached 17 percent, the second highest figure in the last 13 years. In February, the equivalent annual rate was 12 percent.

The dollar ended the week in Colombia at an official price of 46.30 pesos, which, compared with 44 pesos at which it was quoted at the beginning of the year, means a 5.2-percent devaluation so far this year.

Devaluation stimulates minor exports, because sellers find that they are constantly receiving more pesos for their dollars.

It also serves for tourism, because, in spite of the mechanism of the exchange certificate, visitors receive more and more pesos for their dollars.

But it also has its negative aspects. Imports become constantly more expensive and the national public debt, which is contracted in dollars, increases as devaluation becomes greater.

If the present trend continues, the United States dollar will cost 50 pesos by mid-September. Then the devaluation rate for 1980 will be 13.6 percent, the second highest after the whole year of 1975, when devaluation was 18.6 percent.

The daily variation in the exchange rate is owing to a program previously agreed on in which the trend followed by the balance of payments plays a part.

This balance includes not only export and import movement, but also the inflow and outflow of capital both for services and for debts. In addition

to the balance of payments, the general framework of the country's economic and monetary policy also plays a part in the devaluation process.

So far in 1980, up to April, the balance of payments revealed an inflow of $1,442.3 million and an outflow of $1,124.3 million, for a surplus of $318 million, 71.7 percent higher than the one recorded on the same date in 1979.

Included among the inflow are coffee exports amounting to $718.9 million, 30.2 percent higher than in the same period of 1979, and foreign sales of nontraditional products amounting to $365.4 million, 29.7 percent higher.

This increase in nontraditional exports can be explained, for the most part, by an acceleration in the rate of devaluation.

The system of gradual devaluation has been in effect in Colombia since 1967, when the then President Carlos Lleras Restrepo and his minister of Finance, Abdon Espinosa Valderrama, introduced the foreign exchange statutes (Decree-Law 444).

The following table shows the annual average official exchange rate since then:

| Year | Average | Absolute variation | Relative variation |
|---|---|---|---|
| | (in pesos) | | |
| 1967 | 14.71 | | |
| 1968 | 16.36 | 1.65 | 11.2% |
| 1969 | 17.34 | 0.98 | 5.9% |
| 1970 | 18.49 | 1.15 | 6.6% |
| 1971 | 19.97 | 1.48 | 8.0% |
| 1972 | 21.92 | 1.95 | 9.7% |
| 1973 | 23.72 | 1.80 | 8.2% |
| 1974 | 26.10 | 2.38 | 10.0% |
| 1975 | 30.97 | 4.87 | 18.6% |
| 1976 | 34.89 | 3.92 | 12.6% |
| 1977 | 36.78 | 1.89 | 5.4% |
| 1978 | 39.48 | 2.70 | 7.3% |
| 1979 | 42.50 | 3.02 | 7.6% |
| 1980 | 47.74 | 5.24 | 12.3%[1] |

[1] For this year, EL TIEMPO went on the basis of the 17-percent equivalent annual rate found by the National Coffeegrowers Federation. If it is applied on the basis of the 44 pesos at which the dollar started in 1980, at the end of the period the United States dollar would cost 51.48 pesos. Therefore, the average for the year is established at 47.74 pesos and the actual devaluation rate is reduced to the above-listed 12.3 percent.

According to the banking superintendent, Francisco Morris Ordonez, the gradual adjustments in the exchange rate have introduced the following benefits:

1. It unified the different exchange rates in existence up to March 1967. Until that date, there was one for the certificate market, another for the capital market and another for oil.

2. Fear of the effect caused by a rising exchange rate on inflation was lost.

3. The so-called minor exports increased, starting in 1967, not only because of the constantly rising exchange rate, but also because of incentives like the Tax Credit Certificate (CAT) and financing of the Export Promotion Fund (PROEXPO).

Exports other than coffee increased from $117.6 million in 1967 to $1.2 billion in 1979 and they will probably reach $1.5 billion in 1980.

Nevertheless, banker Jorge Mejia Palacio does not like the present devaluation. He regards it as excessive and not justifiable at the present time.

"There is relative stability in the international market and the country's reserves continue to increase constantly. This does not justify the equivalent annual devaluation rate of 17 percent," Mejia Palacio, representative in Bogota of the Antioquia Commercial Bank, stated.

He pointed out that devaluation is inflationary, because the prices of imported items rise. Psychologically, people also raise prices and the debts of official and private enterprises increase.

EL TIEMPO has determined that, between 1967 and 1977, the country's foreign debt rose by 26,695 million pesos owing to variations in the rate of exchange.

Mejia Palacio pointed out that on the street there is talk of an 18-percent devaluation rate this year, but the economic authorities have neither denied nor confirmed that figure, stating that the devaluation rate "will be the one needed by the country."

Everything indicates that the government has accelerated devaluation not only to stimulate exports, but also to stop up the massive influx of money to Colombia.

If there should be a devaluation similar to the 1979 devaluation in 1980 (almost 8 percent) and if the interest rate on the international market, the United States for example where it is 17 percent, is added to that, it makes a total yield of 25 percent. Then it is good business to bring money to Colombia where it yields 36 percent.

But if devaluation is 18 percent, for example, and the interest rate in the United States is 17 percent, that makes 35 percent. The rates are then almost equal and holders of dollars have no interest in coming to Colombia.

In spite of this, the reserves continue to increase and, according to the latest official report, they exceeded $4.6 billion and it is likely that they will exceed $5 billion at the end of 1980.

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ENERGY AGREEMENT SIGNED WITH USSR

Bogota EL ESPECTADOR in Spanish 14 Apr 80 p 10-A

[Interview with Colombian minister of mines and energy, Alberto Vasquez Restrepo on Todelar's "Technicians and Politicians" program: "Agreements With Russia on Energy, Mining, Oil, Nuclear and Solar Cooperation;" date not given]

[Text] An energy, mining, oil, nuclear and solar agreement was signed by Colombia and the Soviet Union as negotiations to purchase crude oil in the Middle East failed because of difficulties raised by the Arab countries.

In declarations made by the Colombian minister of mines and energy, Alberto Vasquez Restrepo, to the Todelar network, the importance of the agreements reached in the field of cooperation with Russia was noteworthy. These agreements bear primarily on technology transfer and the sale of Soviet turbines for the large Urra I and Urra II hydroelectric power stations.

Furthermore, the information and press section of the Colombian president's office reported that in the coming month of May 1980 a Soviet mission will visit Colombia with the purpose of determining basic aspects of the same Urra project and of examining transportation systems and the areas where the said project will operate.

Instruments of Exchange

In the declarations which Vasquez Restrepo made on Todelar's "Technicians and Politicians" program, he talked about a variety of issues. The following is a summary of the program:

[Question] Mr minister of mines and energy, what beneficial results has your trip to France and the Soviet Union brought to Colombia?

[Answer] The purpose of my trip to the Soviet Union bore on a program of the national government to use some means of commercial exchange signed with that country in 1968 when an agreement was reached under the government

of president Carlos Lleras Restrepo and then in 1975 when a supply agreement was negotiated and signed enabling Colombia to acquire equipment and goods in the Soviet Union under very favorable conditions as relates to the payment of interest.

The government believes that new technologies must be used in the interest of national development. As a departure point for this goal the Urra dam was mentioned. It was authorized by a Colombian law so that it might be acquired without bidding from the Soviet Union subject to terms that protect Colombian interests. This project for the acquisition of more than 1 million kw of power has been developing and was being implemented in its earlier stages but now, thanks to this trip, it was possible to elucidate and decide on a series of further stages making it possible to clarify this important negotiation and committing the Soviet Union to transmit its economic proposal in the second half of 1980 so that Colombia may make a definitive decision as to whether it will acquire that power station or not."

Soviet Technology

[Question] Do not overlook, Mr minister, that the government has become interested in Soviet technology for oil exploration in Colombia. Does this mean that North American methods have not been sufficiently efficient?

[Answer] I believe that this is not the reason but rather there is a need to recognize all the technologies that are being used in the world. We know that the Soviet Union has a technology that has been very efficient and indeed we find that such systems are quite different from the conventional ones and make possible the use of much lighter equipment that costs much less and is highly efficient. One does not explain easily why these technologies were not explored earlier. We can say the same as regards seismological exploration and its interpretation. In this respect we are signing an assistance agreement with the Soviets which will go into effect right away.

Colombian Oil

[Question] Mr minister, taking into account this complementarity of technology in oil exploration can one say that the government continues to believe that there is indeed oil to be found in Colombia and that it will be discovered very soon?

[Answer] I am continuing to think that we have oil in Colombia even though not reserves that would enable us to believe that one day Colombia will export this product. Everything indicates that despite this lack of reserves in Colombia, within the levels of existing possibilities, our oil would be sufficient to satisfy our country's needs until the early years of the 21st century, allowing Colombia first to be self-sufficient in the second half

of the present decade. The use of new equipment, if it proves efficient as is indeed believed, facilitates this operation and increases the possibilities of success in this area.

[Question] Mr minister, the president of the Colombian Oil Company, Alvaro Barrera Rueda, has just returned from the Middle East. What benefits does his trip represent for Colombia?

[Answer] The government has continued to seek crude oil supplies by contract in the international market, especially on a government-to-government basis, and we have not spared any kind of efforts. We are using resources in the countries of this continent. It is known that Venezuela is supplying us with a sizable amount of crude oil, which is 20,000 barrels a day, and we are proceeding with negotiations to increase those supplies to 25,000 barrels with many possibilities of success. We also have an option from Mexico for the coming year to be included as possible clients of that country. With Ecuador we had reached very advanced negotiations and managed to acquire the right to purchase 15,000 barrles a day, but in the end the terms set by that country at a high price level did not make it desirable for us to pursue those negotiations because our purchase of gasoline turned out to be more economical than our acquisition of crude oil at those price levels. Under these circumstances we explored the Middle East market after pursuing negotiations with Saudi Arabia which were also unsuccessful because of a series of difficulties. We began to negotiate with Iraq and this continued until it was found appropriate to send a mission to personally discuss the possibility of such supplies. That possibility actually exists, but the type of negotiations with those Arab countries which are demanding premiums or special commissions makes things very difficult for a country like Colombia seeking to acquire oil directly from government to government, without middlemen, without having to pay any such premiums. However, we have the option of securing crude oil from Iran but within the framework of some conditions which seemingly are not very convenient, and no definitive decision has been taken in this respect.

Special Premiums

[Question] What are these special premiums which prevent the reaching of agreements with Arab countries to import crude oil?

[Answer] All the countries today have their oil spoken for. They are selling it directly to other countries or international companies which have been marketing oil for many years. These are acquiring it and serve as intermediaries to supply other nations. The oil-exporting countries assert that for them to cancel some shipments that are already agreed upon with these companies it is necessary that we pay a premium with which they can offset part of the advance payments they already received, payments generally demanded by these countries. Also, the premium to these countries represent economic compensation so that they may be willing to change plans to supply the anticipated amounts.

Coal to France

The minister of mines and energy, Alberto Vasquez Restrepo, also asserted that it was possible to crystallize the agreement relating to the sale of 1 million tons of coal a year slated for the French electric power enterprise.

This would be a long-term supply arrangement. Beginning in 1985 the duration of the shipments would involve 10 years. The operation will make it possible to accelerate similar negotiations which Colombia is now pursuing with Denmark, Sweden, Italy and other European countries.

Minister Vasquez Restrepo was questioned by Todelar in this connection.

[Question] Under what conditions will Colombia sell France the 10,000 tons of coal as per the announcement that you made in Colombia on your return from Europe?

[Answer] The offers which Colombia is making to France and other countries represent the coal-exporting capacity which Colombia will have beginning in 1984-85. It will be coal originating from Cerrejon in northern Colombia--whose exploitation is slated to begin in 1984--and in the central area which will be in production 2 years earlier. We hope that by 1990 our country will be producing between 25 and 30 million tons of coal so we have to go out and market coal and determine the conditions of supply and demand across the world and secure these markets as of now because the process is a long one and we cannot run the risk of possessing great exporting capacity but not having contracts.

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## OIL SELF-SUFFICIENCY IN 5 YEARS PREDICTED

Bogota EL SIGLO in Spanish 11 May 80 pp 1, 2

[Report of statements by the minister of Mines, Alberto Vasquez Restrepo, in a press conference held in his office on 8 May 1980]

[Text] This enterprise should sell its production to the country, but at international prices, and former President Carlos Lleras Restrepo stated, last year, when he discussed the system in question:

"Whoever negotiates an association contract with ECOPETROL [Colombian Petroleum Enterprise] at present has, therefore, a guarantee that he will be paid at international prices for his share of the oil obtained. Something constantly more encouraging, certainly, especially now when prices have risen so sharply and this does not seem to be about to stop."

Defense

In turn, the minister of Mines, pointed out, in a press conference held in his office last Thursday that, with regard to association contracts, "if it were not for this system and for Resolution 50, foreign companies would not come here and the situation would be worse for Colombia."

Alberto Vasquez Restrepo defended this system of contracts and stated that "the country does not have the capital needed for making the sizable investments required by this activity."

The facts show how costly oil exploration is, because it is never known when a well will prove to be profitable. The minister of Mines revealed that the INTERCOL [International Petroleum Colombia] company had to spend 920 million pesos to reach the final depth of the Arauca-1 well.

This is a great concern to the country, because ECOPETROL's investment capability is very much compromised, owing to the distribution made of gasoline prices and, according to what the minister pointed out, ECOPETROL receives only 20.11 pesos of the 34 pesos that a gallon of gasoline costs.

"The rest goes to the National Highway Fund," he added, and he reported that this distribution "is out of proportion, because it is very old and, therefore, the law specifying this distribution should be adjusted at the institutional level."

Although the country may be self-sufficient in fuel in less than 5 years, the domestic price structure will not be affected favorably, unless the work of the Colombian Petroleum Enterprise carries outoil well exploration and drilling projects amply.

In fact, the government has issued a series of measures to alleviate the pronounced decline in national production and to decrease the amount of oil imports, in order to stimulate production. Prominent among them is Resolution number 050 of 1976, issued by the Commission on Oil and Natural Gas Prices, under the Ministry of Mines.

According to this resolution, oil for refining produced in Colombia is paid for at international prices, if it has been produced in accordance with association contracts.

Association Contracts

Association contracts have been in effect for 11 years now and, by means of this system, ECOPETROL provides an area on which preliminary studies have been made, sufficient for the interested company to be able to specify the terms under which it is ready to enter into a contract.

The associated company makes the necessary investment at its cost and risk, and ECOPETROL reimburses that company for part of the investiment made, generally 50 percent of the cost of the first producing well, only if it is successful.

According to what the minister of Mines stated, foreign companies pay for the studies made by ECOPETROL concerning conditions of the subsoil in which there is presumed to be oil.

The term of the contract is from 22 to 25 years, starting from the time when the field begins to be exploited commercially and the oil found is distributed as follows: 60 percent for ECOPETROL and 40 percent for the foreign company.

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EL CERREJON COAL PORT PLANNED FOR PORTETE BAY

Bogota EL ESPECTADOR in Spanish 17 May 80 p 7-A

[Article by Hilario Ariza]

[Text] Riohacha--There has been talk for over a century about the El Cerrejon coal mines. There is sufficient material in the files of EL ESPECTADOR to make a book on what has been written concerning these deposits. For several generations, La Guajira has lived on the hopes offered it by this mineral that has given cause for so much talk. But reality has finally arrived. The deposits in the Barrancas Municipality are going to be worked in all their magnitude.

The author of this article was talking in this connection with the secretary of the Ministry of Government, Dr Lorenzo Solano Pelaez, a very prominent member of La Guajira society, so that the citizens might become exactly aware of these projects. He stated the following in this connection:

"Approximately 2 weeks ago, we were in the company of the members of the board of directors of INTERCOR in Barranquilla and Cartagena. Important meetings were held in those cities with industrial leaders to study and examine the possibilities both of Cartagena and of Barranquilla, the base city, for development of the El Cerrejon coal projects, with regard to reception by the persons who are going to work on mining the mineral, because around 1,000 families will have to move there, in addition to the ones who are going to be close to the mines, in the Barrancas area, estimated at 4,000 families, between workers, employees and logically," as Dr Solano Pelaez went on to say, "since Barrancas is not capable of housing those families, it has to be a base city that might be Barranquilla or Cartagena, because, in order to accomplish this move, they have to have medical services, high schools for their children, sufficient housing to offer them, hospitals, and so on. These meetings were very interesting. Later, we made a tour all through La Guajira. We were in Portete Bay, where the large coal port is going to be and where large tonnage ships can arrive, because over 20 million metric tons of coal a year are going to be mined."

Cost of the Works

We asked the secretary of Government concerning the cost of these works and he stated to us:

"This project is regarded as one of the largest in the world. Its cost is approximately $2.3 billion, or 103 billion Colombian pesos."

The members of the INTERCOR board of directors flew over what is going to be the route of the railroad from the port to the mine. According to the layout, it is going to pass through Uribia. This fact will stimulate the old capital of the territory greatly by producing work for the inhabitants at the same time as it will extend development on the Upper Guajira. With regard to the facilities at El Cerrejon, INTERCOR hopes, in accordance with the association contract, for an annual production of close to 20 million metric tons a year, as has already been said, for which they are going to plan the infrastructure jobs as soon as INTERCOR declares the marketability of the deposit.

Central Area

With regard to the central area, the area of El Cerrejon, for which CARBOCOL [Colombian Coal Company] is responsible, there is a project for producing 1.5 million metric tons a year. This month the contract is going to be awarded for the mining infrastructure work that CARBOCOL is going to need for exporting coal and for domestic consumption, for example for the Atlantic coast industries, for production of electricity and for Termocerrejon, in Palomino, being built by CORELCA [Electric Corporation of the Atlantic Coast]. The highway running from the El Cerrejon mine to Hatonuevo, including a bridge over the Rancheria River, and whose final point will be Riohacha, is also under construction. A highway is also going to be constructed from Cuestecitas to La Florida El Abanal, at which place it will connect with the Caribbean trunk line for the purpose of getting coal out on this last-mentioned road, without having to go through Riohacha.

Portete Bay, where the coal port will be, is located a few kilometers from La Vela Cape. There will be an oppotunity to stimulate its tourist development, because it is regarded that the cape has the most beautiful beaches in the world.

"Promises, Promises"

If, with El Cerrejon, gas from the La Guajira territory and salt exports, the national government keeps the promise of stimulating the department and of assisting farmers, its people would surely devote themselves to lawful activities. But as long as this same government does not do everything possible to keep its promises, its inhabitants have to seek other means of livelihood. Up to now, the government's promises have been empty.

10,042
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NEW GAS WELL DRILLED IN LA GUAJIRA

Bogota EL ESPECTADOR in Spanish 15 May 80 p 13-A

[Text] The Colombian Division of the Texas Petroleum Company, a subsidiary of TEXACO, announced yesterday a discovery of natural gas in the land area of La Guajira within the Guajira A association contract with the Colombia Petroleum Enterprise (ECOPETROL). The new discovery, Aruchara-1, is located 25 miles south of the city of Riohacha, in La Guajira Department.

The well proved up 11 million cubic feet of gas a day in the second interval. Both intervals are below 8,000 feet. Additional drillings will be performed to determine the complete significance of the discovery.

Texas Petroleum Company and ECOPETROL each have a 50-percent share in the Guajira Area A association contract.

Before Aruchara-1, ECOPETROL and TEXACO discovered three gas fields in this association -- Riohacha, Ballena and Chuchupa -- that are supplying gas for the industrial complexes of Santa Marta, Barranquilla and Cartagena.

Texas Petroleum Company is the operator in this association contract.

10,042
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REFUGEE ISSUE REPORTAGE, REACTION AS VIEWED LOCALLY, ABROAD

Huber Matos' Reaction

Santo Domingo LISTIN DIARIO in Spanish 14 Apr 80 p 16

[Text] Santiago, Chile, 13 Apr (EFE)--The problem of the 10,800 Cuban refugees in the Peruvian Embassy in Havana is like a plebiscite, but it will not bring about the downfall of Fidel Castro because he has heavy backing from Russia.

This statement was made Sunday by Maj Huber Matos in a telephone conversation from Miami with the Santiago daily EL MERCURIO.

According to the newspaper, Matos had just met in Washington with the ambassadors of Peru and Venezuela and with officials from the U.S. State Department concerning the refugee problem.

Matos spent 19 years in Cuban prisons and was recently released. With respect to his imprisonment for political ideas in opposition to Fidel Castro, he said that he would write a book to be published at the end of this year.

Concerning the events at the Peruvian Embassy, Matos said that "they are equivalent to a plebiscite, an election," and emphasized: "I am not surprised about the attitude of the exiles, and the fact that there are not many thousands more is simply because the embassy will hold no more."

Matos also told EL MERCURIO that Castro made a major political mistake in allowing those who wished to to seek asylum in the Peruvian Embassy in Havana:

"Fidel Castro undoubtedly thought that not more than 200 or 300 persons would go," Matos said, "but now he is facing a situation indicating that the Cuban people do not want him, him or his government. At any rate, one must not hope that this will cause the downfall of Fidel. Soviet subsidies to Cuba are very great."

Matos also said that he had a message for his fellow countrymen who took refuge at the embassy: "Wait patiently for us to come and get you because

nothing would make Castro happier than wrangling between you, motivated by the crowding and the various conditions under which you are waiting to be freed."

## Dominican Government Assistance

Santo Domingo EL CARIBE in Spanish 19 Apr 80 p 11

[Text] An announcement made last night by the press secretary of the Office of the President stated that President Antonio Guzman has ordered the sum of $25,000 to be set aside for the Cubans who sought asylum at the Peruvian Embassy in Havana.

Dr Franklin Dominguez added that the chief of state made the decision "as soon as he learned of the request for international solidarity issued by nations belonging to the Andean Group."

Dominguez also said that the aid will be channeled "through the Peruvian Embassy in this country."

He stated that the Peruvian Embassy "will determine to whom the sum is to be sent."

Several days ago, nearly 10,000 Cubans requested political asylum at the Peruvian Embassy in Havana after police protection was withdrawn from that diplomatic headquarters.

## U.S.-Cuban Phone Calls

Havana JUVENTUD REBELDE in Spanish 27 Apr 80 p 2

[Article by Ramon Alberto Bendoyro]

[Text] For the purpose of meeting the demand for communication with the United States created by the current situation involving the departure of reactionary elements from our country, the Ministry of Communications has increased international telephone service and taken a group of measures to attain this objective.

Special posts will be set up, located in the Sierra Maestra Building, for the sole purpose of serving foreign technicians, starting tomorrow morning at 0900 hours at Galiano and Zanja and at 27th and 10th streets for calls from the people to Miami starting tomorrow at 1400 hours, in addition to the post already located at Aguila and Dragones. Other stations are also being set up in Mariel, Varadero, El Salado and the Triton Hotel.

Calls to the United States may be requested starting at midnight until 0600 hours beginning today. Daily capacity will be 700 calls from telephones and 200 from telephone booths.

In order to meet the demand, other measures have been taken: limiting the length of calls, improving operational facilities through an increase in the number of channels, and beginning on Tuesday, the capacity to handle calls will be increased 20 percent. In addition to the number 09 in the capital, two more will be added: 22-6011 and 22-5511.

Calls will have a cancellation period of 24 hours and those from the provinces will receive priority (only by calling 00).

At the present time, there has been a daily total of 900 calls, plus those made to other parts of the world and state and government calls.

In order to meet the needs of the press and delegations that will participate in the 1 May demonstration, a headquarters will be set up in a hotel in Havana City.

The technical effort made in recent years of revolutionary activity reached a climax when goals set for communications relating to the Sixth Conference were reached. This made it possible to go beyond goals set for the 5-year period. As a result, it will now be possible to use international channels by means of two satellite connections and another through Jamaica, which is the one used for contact with the United States.

The situation would be more difficult if the previously mentioned circumstances did not exist, inasmuch as the United States has not set up more communications channels with Cuba. Cuba has increased its channels by 108, due to which calls from residents are connected by the normal routing that existed before the Revolution and those from the community via satellite.

All of this information was released at a press conference held at the Ministry of Communications, in which Pedro Guelmes, member of the party's Central Committee and minister of communications, participated.

## Boatload of 'Trash' Departs

Havana JUVENTUD REBELDE in Spanish 29 Apr 80 p 5

[Article by Vinas Alfonso]

[Text] Boca de Mariel--This point on the Cuban coast has begun to make the news. Teleprinters of international press agencies have been humming ever since, on Monday, 21 April, 48 antisocial elements left for the United States in two boats.

As reported in an article published by GRANMA following the event, "these vessels came on their own and were received with complete courtesy. Their crews asked to take a group of those staying at the Peruvian Embassy and a number of relatives of persons residing in the United States. Their requests were fully met."

The boats then began to arrive in droves.

At about 1600 hours one afternoon last week, the "Big Baby" from Galveston, Texas, pointed its prow toward the turbulent north, carrying 200 of the elements who had been "guests of honor" at the Peruvian Embassy.

About 2 hours later, another smaller boat called "Tote," registered in Miami, Florida, also left with 61 passengers from the same point.

On the first vessel, 75 feet long, men, women and children, crowded together and silent, left the first free territory in America for an uncertain future awaiting them in the Yankee paradise. The passengers on the second, a little more comfortable, headed for the same destination.

On the horizon, other vessels wait and many more are on the way, despite the hysterical spokesman of the U.S. State Department, which has already begun to issue threats against those who come on their own account to the Cuban coast.

On the Mariel bay is Hildo Romeo, representing the Community Workers Alliance, of which he is secretary general. Between boats, we talked with him:

"What is the reason for your visit to Cuba?"

"We have come to get those who want to leave."

"What do you think of the threats made by the Yankee State Department?"

"They are illegal. I do not believe that moving these citizens who want to leave Cuba is illegal. Just as in the case of the Haitians, there are many other irregular cases."

"How many boats do you have?"

"Many are getting ready. We have 25, enough to leave and come back. We want boats that are completely safe, so that there will be no accidents."

"Are these safe? The 'Big Baby,' for example?"

"Yes, it can carry up to 72,000 pounds. Furthermore, technicians from the Cuban Navy are looking at them and will indicate their real capacity."

"How did the Cuban authorities treat you?"

"Very well. The Cuban Government has always done what it promised 100 percent. More than 3,000 political prisoners who were released have been sent to the United States, and there are also the over 115,000 Cubans who left the island to visit their relatives. These are positive steps because we are trying to reunite families and achieve peace."

The dialog was interrupted with the arrival of another group on a bus. In a matter of seconds, they got off the vehicles and went on board. There were no farewells, only the mechanical "click" of the cameras and the peculiar sound of movie cameras breaking the silence on this beautiful spring afternoon.

On deck, some managed timid smiles, but found no words and -- what political blindness! -- with stiff fingers, make the V of their victory. A few try to say a listless goodby to the land that gave them a nation, its flag and the dignity that they either could not or would not understand.

A few hundred meters away, at the Maximo Gomez thermoelectric plant, or at the Rene Arcay Cement Factory, the machines roar and other men go to work, confident of their future, sweating Cuban sweat, producing and creating the future. Those that leave are not worthy of their efforts.

Bon voyage with your cargo of trash, "Big Baby"!

11,464
CSO: 3010

TWENTY YEARS OF RELATIONS WITH USSR CELEBRATED

Various Ceremonies Held

Havana GRANMA in Spanish 8 May 80 pp 1, 3

[Article by Jose Norniella]

[Text] Havana--Humberto Perez, member of the Central Committee of the Party and vice president of the Council of Ministers, presided over a ceremony held here yesterday by the Central Planning Board honoring the twentieth anniversary of the resumption of diplomatic ties between Cuba and the Soviet Union.

Before hundreds of workers, Lev Metliski, chief of the group of Soviet advisers to the Central Planning Board (JUCEPLAN), spoke about the indestructible friendship between the two countries.

Cooperation between the USSR and Cuba is becoming more and more intensive and wide-ranging, he stated, citing the example of annual trade volume, which amounts to more than 4 billion rubles. He pointed out that the cooperation is not limited to the economy, but also covers social and cultural activities. He noted that thousands of Cuban students are going to school in the Soviet Union, and that during these 20 years more than 3,000 Soviet artists have visited the Caribbean island.

Concluding his speech, he mentioned the tense international situation and the military threats by the United States. He stressed that "Cuba is not alone; it has the support of the USSR and other socialist countries."

Speaking on behalf of the Cubans was Miguel Angel Figueras, first vice president of JUCEPLAN. He expressed Cuba's gratitude to the Soviet Union.

He recalled how the USSR, in strong gestures of solidarity, offered its help to the Cuban Revolution from the very beginning, when the Yankee imperialists were trying to strangle it economically.

"At that time our Soviet brothers provided us with arms, bought our sugar and supplied the nation with oil," he stated.

Since that time cooperation by the Soviets and commercial ties have expanded each year, on the basis of generosity and justice, he asserted.

Figueras maintained that it is difficult to find a sector of the Cuban economy that does not feel the effects of Soviet solidarity. He mentioned the construction of electricity plants, the reconstruction and expansion of more than 70 sugar mills, the manufacture of sugarcane combines, and many other examples.

He reported that joint plans are being drawn up with the Soviet Union for the next 5-year period, and during that period even more cooperation is envisioned.

Finally, he stressed that Cuban-Soviet relations provide an example of justice, and in particular they show the Third World how socialism makes possible this type of mutually advantageous ties between an economically poor country and a developed, industrialized one.

Also attending the ceremony were Gilberto Diaz, vice president of JUCEPLAN, other directors of that program, representatives of the Soviet embassy in Cuba and Soviet advisers.

Ministry of the Interior

The Ministry of the Interior celebrated the twentieth anniversary of the renewal of ties between Cuba and the Soviet Union and the thirty-fifth anniversary of the victory over fascism in a ceremony presided over by Maj Gen Jose Abrantes, a member of the Party Central Committee and first vice minister of the Ministry of the Interior.

The event took place in the theater of the ministry's central offices. Also present were other members of the ministry's upper ranks, chiefs and officers, as well as a large contingent of soldiers.

Col Pedro Rodriguez Vargas, who gave the keynote address, emphasized the close and friendly relations that join the people, governments and parties of the Soviet Union and Cuba.

State Committee for Finance

The workers of the State Committee for Finance (CEF) and its enterprises and budgeted units celebrated the twentieth anniversary of Cuban-Soviet relations yesterday in this capital city with a political event at which Soviet advisers who lent valuable cooperation to the Cuban financial system were also present.

Victor Zaria, deputy adviser of the Economic Mission of the Soviet embassy in Cuba, stated that relations between the Soviet Union and Cuba are based on unbreakable ties of proletarian internationalism and eternal, sincere friendship.

The concluding speech was given by Francisco Garcia Valls, president of the CEF. He stressed the aid provided by the Soviet Union over the years, not only in the military sphere but also in the area of the peaceful construction of socialism in our nation. He recalled the valuable support lent by our Soviet brothers in the economic sphere, and the scientific and technical assistance. The USSR, he said, has not invested a single cent in Cuba for the purpose of earning dividends, nor is there a single Cuban who has been exploited as a result of these relations, which are a model of how relations between two countries should be.

## More Recognition

Havana GRANMA in Spanish 8 May 80 p 3

[Article by Juana Berges]

Declaration by Movement for Peace

"Twenty years after the restoration of relations between Cuba and the USSR, the Movement for the Peace and Sovereignty of Nations would like to express its revolutionary joy over that event," says a message released by that organization.

"In commemorating the first 20 years of renewed ties between Cuba and the Soviet Union, the Movement for the Peace and Sovereignty of Nations proclaims to the world that these exemplary relations are a magnificent preview of what the socialist world of tomorrow will be like," concludes the declaration.

Photographic Exhibit

A photographic exhibit was opened at the central headquarters of the Ministry of Education, in the presence of Jose R. Fernandez, vice president of the Council of Ministers and minister of education.

The keynote speech was given by Vice Minister Jorge Gonzalez, who indicated that relations between Revolutionary Cuba and the land of Lenin have been a model of faithfulness to the principles of socialist internationalism and an extraordinary example of brotherly ties.

After mentioning the generous help given us by the USSR in various sectors of the national economy, Jorge Gonzalez said that specifically in the field of education the contribution of Soviet specialists to the Improvement Plan has been decisive. "Twenty years after this cooperation," he added, "more than 5,000 mid-level technicians as well as 3,000 higher technicians have been trained in the USSR. About 2,500 Cuban specialists have gone beyond their professional level by practicing the profession and teaching in educational institutions and scientific research institutes in the Soviet Union."

The vice minister of education said relations between Cuba and the Soviet Union served as an example for the underdeveloped world, and emphasized

the work done in our country by the Soviet experts who give lectures, lend methodological assistance and practical help in training and in the development of the educational process, and help in the writing of materials and text books.

## Fishing Port

Havana GRANMA in Spanish 8 May 80 p 3

[Article by Raisa Pages]

[Text] At the Fishing Port of this capital yesterday an exposition honoring the twentieth anniversary of the resumption of relations between Cuba and the USSR was opened. Present were Jorge Fernandez, minister of the fishing industry, and Victor Shein, representative of the fishing industry of the Soviet Union in Cuba.

The exhibit of 57 photographs shows a panorama of economic cooperation between the USSR and our country, as well as scenes from Brezhnev's visit to Cuba. There are also pictures of tours of Revolutionary Cuba by Soviet leaders.

At the ceremony, Raul Garcia, vice minister of the fishing industry, and Mikhail Mashevski, vice representative of the Soviet fishing industry in Cuba, made speeches. Both speakers stressed the common interests and principles that unite the two countries and the fraternal ties that join the lands of Marti and Lenin, based on the fundamentals of Marxism-Leninism.

## Gromyko Message to Malmierca

Havana GRANMA in Spanish 8 May 80 p 3

[Text] To the minister of foreign relations of the Republic of Cuba
Comrade Isidoro Malmierca Peoli
Havana

Dear Comrade Minister:

Please accept my cordial congratulations on the occasion of the twentieth anniversary of the resumption of diplomatic relations between the Soviet Union and the Republic of Cuba.

During these years, Soviet-Cuban ties have developed actively and fruitfully, covering all aspects of life and the activities of our peoples: politics, economics, science and culture.

We note with satisfaction that our countries are cooperating successfully on the international level in the solution of such vital issues as the strengthening of peace and detente, the halt of the arms race, the struggle of peoples for their national independence, and social progress.

I wish you, comrade minister, good health and new successes in the realisation of the Republic of Cuba's peaceful foreign policy for the good of the peoples of our nations, and in the interest of socialism and peace.

A. Gromyko
Moscow
7 May 1980

8926
CSO: 3010

SMITHSONIAN OFFICIAL 'IMPRESSED' BY VISIT TO NATION

Havana BOHEMIA in Spanish 9 May 80 p 93

[Article by Yayo Morejon: "Cuban Nature Conservation Plan Impresses U.S. Scientist"]

[Text] "The dynamism of the program applied in Cuba for the conservation of the flora and fauna of the country has impressed me," stated Dr Dillon Ripley, secretary of the Smithsonian Institution in the United States (which specializes in nature conservation) and chairman of CIPA [International Council for the Protection of Birds]. He is in Cuba at the invitation of the Academy of Sciences of Cuba to study the possibility of initiating scientific cooperation between our top scientific institution and the Smithsonian Institution.

At the end of the special session of the Cuban Scientific Council for the Conservation of Flora and Fauna, Dr Ripley expressed his satisfaction in the conservation work being done in Cuba. He was invited to this meeting with his wife, Mrs J. Ripley.

During the session presided over by Guillermo Garcia, member of the Political Bureau of the party and vice president of the Councils of Ministers and State, engineer Jose A. Concheso of INDAF [National Institute of Forestry Development and Exploitation] and Enrique del Risco of the Botanical Institute of the Academy of Sciences of Cuba summarized the general program that the council is developing on conservation of flora and fauna. Dr Abelardo Moreno Bonilla, president of this institute once again, reported on the reorganization of the Cuban Section of CIPA; it has been operating in our country for years.

Dr Ripley expressed his admiration for those like the Cubans who are concerned about conservation and added that that concern must extend to the entire Caribbean basin. He recalled that the history of Latin American countries has been one of economic exploitation and it is necessary to correct those mistakes.

The distinguished scientist felt that Cienaga de Zapata is one of the most important areas in our country because of its ecology. During a visit to the southern coast of Cuba, he saw many North American migratory birds.

Dr Ripley called attention to the great scientific significance of birds in relation to our health. He said: "The birds are an indication of the health of the environment."

Guillermo Garcia expressed the government's interest in the programs presented but added that conservation programs are not easy to carry out in an underdeveloped country like Cuba unless there is clear awareness at all levels of the critical situation of the woods, the fauna, the soil and potential sources of potable water. He was grateful for the visit of Dr Ripley and his wife to our country. He felt it would help our country in such decisive matters for humanity as concern for its vital natural resources.

Others presiding at the meeting included: engineer Tirso W. Saenz, vice president of the Academy of Sciences of Cuba; Carlos Martinez, chairman of COMARNA [National Committee for Environmental Protection and Conservation of Natural Resources]; and Dr Maria E. Ibarra, council secretary.

7717
CSO: 3010

VIOLENCE IN SUPPORT OF CUBAN CAUSE CRITICIZED

Quito EL COMERCIO in Spanish 20 Apr 80 p A-4

[Editorial: "Violence in Every Form"]

[Text] We see that public life or social coexistence is beginning to be increasingly at the mercy of the violence that is being practiced or manifested by every possible means. The problems and conflicts caused by terrorists, guerrillas, kidnappers and attackers; the use of weapons of one kind or another; the lack of a real management of ideas; the absence of calm reasoning and technical procedures and instead the proliferation of insults, reckless accusations, affronts and slander are realities that we experience amidst insecurity and alarm. It seems that we are incapable of debating in the political area without promoting lack of understanding, hatred and unhealthy passion. Perhaps we believe we have a monopoly on the truth and that there is no other way to defend it than to repudiate every standard of peaceful and civilized coexistence.

The extremists believe they have the right to hurl the worst accusations against people, bodies and institutions that are not serving the orders of international communism. Not being communists or not acting like absolute Marxists under every circumstance is an unpardonable sin, a crime, something that deserves the worst sanctions. This very verbal violence of extremism makes us wonder what our country's fate would be if it were to fall totally into the hands of the demagogues, implacable enemies of everything that does not bear the hue or flavor of a communist slogan. Groups are beginning to form in imitation of those existing in other places, Colombia, for example, which propose precisely to use violence through any means and to the greatest degree possible. And they are not stopped in this undertaking even by their duty to respect the authority of the nation itself.

At this very moment, on the occasion of the events in Havana and Bogota, Ecuador's extremist sectors have blindly set out to show their radical solidarity with Fidel Castro and with all the guerrillas who are sowing terror under the pretext of working for a revolution that would mean only upheaval and chaos. Our brave revolutionaries, who would like to be more "Castroist" than Castro himself, have found no way to show their support of

Fidel and the Colombian guerrillas other than to hurl insults, with which they are attempting to show, perhaps, that Ecuador's foreign policy is censurable and that all Ecuadorean institutions should be insulted for not serving the Cuban cause.

This matter of labeling Ecuadorean journalists "miserable lackeys of Yankee imperialism," apart from being a very vulgar insult, shows an absolute lack of arguments to convince us that they are right. They have insisted on these accusations so much and have repeated certain hackneyed phrases to the point where they are boring to everyone. Perhaps not even the extremists themselves believe in what they are claiming and shouting so violently. Offending the Ecuadorean people, no matter how respectable they may be, to come out in defense of Cuba, is not worthy, not something that can be dismissed. We accept publication of these outrages so that they will have no pretext for saying that we are raising barriers to the free expression of thought. But at least there remains the right to show that, in some way, this is a matter of expressing a thought, for thinking is very different from attacking in a more or less cowardly manner.

We can experience all the struggles in the area of domestic politics because, in the end, they are private matters. But it is shameful, impudent and intolerable that there is not the slightest respect for Ecuador, for the country itself, when they seek blindly to carry out the foreign order which resolves and directs the systematic practice violence without scruples of any kind. We are reaching situations that are especially difficult and it is fitting that we warn of the dangers with all timeliness.

8631
CSO: 3010

## 1979 TRADE BALANCE CALCULATED AT 475 MILLION SUCRES

Quito EL COMERCIO in Spanish 21 Apr 80 p A-2

[Text] Ecuadorean exports maintained their favorable rate of growth during 1979. According to permits granted by the Central Bank, in absolute terms, they amounted to close to $2 billion f.o.b, representing a 33 percent increase over 1978.

According to the Pichincha Chamber of Industrialists, this expansion in the value of exports is due principally to the obvious rise in oil prices. This price increase allowed our oil exports to climb from $523 million in 1978 to $905 million in 1979, representing a 73 percent jump. A relative increase of $26 million over the previous year is also noted in income from sales of bananas. By contrast, cacao exports dropped by $10 million and coffee beans $48 million. However, an increase of $10 million was noted in instant coffee sales.

### Industrialized Goods

Regarding industrial goods, exports rose from $401 million in 1978 to $492 million in 1979, which, in relative terms, means a 23 percent increase. Broken down by products, it shows that cacao product exports rose from $207 million in 1978 to $231 million in 1979, while fish and seafood products climbed from $47 million in 1978 to $53 million in 1979. Petroleum derivatives went from $91 million in 1978 to $112 million in 1979, and exports of electrical appliances practically doubled in 1979 compared to the previous year, rising from $7 million to $14 million. The same thing happened with sugar exports, which climbed from $7.7 million in 1978 to $14 million in 1979. Other industrial products rose from $36 million in 1978 to $54 million in 1979.

### Dependence on Petroleum

In the past few years, exports of industrial products represented 25 percent of the total exports, implying that our foreign sales continue to depend heavily upon a single product, in this case, oil. Petroleum generated 46 percent of the income from exports in 1979. In its future diversification,

manufactured products will play an outstanding role. This phenomenon shows a positive trend, since the value of these manufactured goods rose from $121 million in 1976 to close to $500 million in 1979. However, greater incentives are needed for their share of the total exports to reach levels of 40 or 50 percent of our foreign sales within a short time, as is happening in other Latin American countries.

Imports

According to permits granted by the Central Bank, imports rose to $1.947 billion CIF in 1979, with an increase of $317 million over purchases made in 1978, representing a 19 percent increase.

The biggest percentage of imports corresponds to purchases of products classified on List I of the addenda to the exchange regulations, that is, raw materials, capital goods and other necessary goods, which make up 81 percent of the total. If purchases are classified according to the kind of importer, the private sector is doing 87 percent of the importing, with the remaining 13 percent by the central government and agencies from the public sector.

Comparing the List I imports made in 1979 with similar ones from 1978, an increase of about 18 percent is noted, for they climbed from $1.3 million in 1978 to $1,582,000 in 1979.

Luxury Goods

Likewise, purchases of products classified on List II, that is, finished goods, principally luxury goods, showed a significant increase in 1979, rising from $298 million in 1978 to $365 million this past year. This represents an increase of 22 percent.

8631
CSO: 3010

## CHAUCHA SAID TO CONTAIN COUNTRY'S LARGEST COPPER DEPOSITS

Quito EL COMERCIO in Spanish 22 Apr 80 p A-2

[Text] Cuenca, 21 -- The Chaucha copper deposits in the western part of the province are the largest known in the country, according to the technical reports that have been furnished.

The deposits should contain reserves of over 150 million tons. If correct, this figure would place these mines as the largest in the world, considering that in the Naranjos sector, the reserve is considered to be 60 million tons. However, drilling and construction of tunnels will have to be done in order to find out whether these deposits would be profitable. In this way, a real estimate can be made.

A Belgian technical assistance team and the Ministry of Natural Resources' General Directorate of Geology and Mines have already begun the work of exploring and evaluating the area. That same task was begun by the Japanese Overseas Company in 1971 and later abandoned.

### Benefits

If the Chaucha copper mines could be operated industrially, the benefits to the region would be many. A wire factory could built for electrical networks, thus avoiding the need to import them and consequently saving foreign exchange. Producing the copper would require the use of a specialized labor force of approximately 1,500 people. It would also facilitate the installation of a metallurgical smelting plant that would help the Ecuadorean mining industry.

To make the operation of the mines a reality, there is an urgent need to build an access road of excellent conditions which would allow for the transit of heavy vehicles from Cuenca to Angas and Chaucha and vice versa.

8631
CSO: 3010

## BRIEFS

NEW SALVADORAN AMBASSADOR--Quito, 9 Jun (EFE)--New Salvadoran Ambassador Arturo Calderon today presented his credentials to President Jaime Roldos. He replaces Salvador Rovira. [PA110159 Madrid EFE in Spanish 0027 GMT 10 Jun 80]

NEW IDB OFFICIAL--Ecuadorean Rodrigo Malo Gonzalez has been appointed alternate executive director of the Interamerican Development Bank. He replaces Ecuadorean Pedro (Aguayo Cubillo) who recently resigned. [Quito Cadena Ecuador Radio in Spanish 2300 GMT 9 Jun 80]

CSO: 3010

SURVEY OF POLITICAL PARTIES; PRO-INDEPENDENCE, AUTONOMY GROUPS

Paris LE MONDE in French 8 Apr 80 p 5

[Article by Firmin Reneville: "Contacts Established by the Trade Unions Could be the Prelude to a Rapprochement Between Autonomists and Independists"]

[Text] Pointe-a-Pitre. It is in Martinique that the government is sending a reinforcement of mobile gendarmes to insure the "restoration of public order." It is in Guyane that Paul Dijoud, secretary of state for the DOM-TOM [Overseas Departments and Territories] threatens the local officials with "a kick in the butt," denouncing administrative slowness.[1]

It is the trade union organizations in Martinique and Guyane that have called for a general unlimited strike as of 17 April.

This may also lead to the conclusion that Guadeloupe is the only French department in America to be spared such political, economic, and social upheavals. Nothing of the sort, as was confirmed by the 6 March attempt on the life of Raymond Vivies (moderate, majority), general councilor of Pointe-a-Pitre (LE MONDE, 19 March).

In departments in which the departmentalists have a small majority in the general council or where the Gaullists have taken away two electoral districts from the opposition in the 1978 legislative elections,[2] the claims of the independists have been essentially taken over by the People's Union for the Liberation of Guadeloupe (UPLG), established in 1978.

Judging by the slogans covering the walls of the main settlements and the automobile stickers showing the yellow, green, and black flag of "Independent Guadeloupe," which may be found even on the glass doors of the main post office in Pointe-a-Pitre, Guadeloupe seems to have learned to live with this new party. The party displayed its followers among the population by rallying on the streets several thousand people, in 1978, on the occasion of the first economic discussion sponsored in the Antilles by Dijoud, whereas a demonstration organized the previous day by the

Communist Party of Guadeloupe (PCG, Autonomist) had rallied no more than a few hundred people.

The apparition of the UPLG on the Guadeloupean political scene represents, in fact, a resurgence, developed over some 10 years, of the GONG (Group for Guadeloupean National Organization), founded in France in 1958 by a group of nationalist students, and subsequently moved to Guadeloupe in 1964.

In 1965 the GONG with other opposition parties, the PCG [Communist Party of Guadeloupe], specifically, in the Guadeloupe Autonomy Front. This group was to split up in 1965, when the communists decided to support the candidacy of Francois Mitterrand in the presidential elections, whereas the Front advocated abstention. As of then the GONG had clearly voted in favor of independence. However, following the disturbances of 26 and 27 May 1967 which had resulted, according to the official count, in 22 dead in Pointe-a-Pitre, or 49 according to other sources, in the course of a strike mounted by construction workers, the movement was dissolved and 19 of its members were brought to face the State Security Court with charges. The court did not sentence any one of them to jail but the GONG found itself beheaded or, at least, so it seemed. For there was one person who had clandestinely pursued his militant battle: Theodore Francois who had been sentenced in absentia to four years in jail but who had been, subsequently, amnestied.

The Independist Strategy

"Hidden by the population while the entire police force was looking for him, Theodore Francois organized the struggle among the farmers," we were told by a UPLG leader, who wishes to remain anonymous and who refused to let us name the place where we met him. "He wanted to draw the balance of the repression which was mounted against the GONG and rectify our main fault which, at the time, was the absence of contacts with the masses. We had to display realism. Guadeloupe is a small country of 1,780 square kilometers with particular geographic conditions. We have no immediate line of retreat; because of our insular position, imperialism could rapidly isolate us and even suppress through silence a national liberation struggle. It was no longer possible for a vanguard group to act without the support of the people's masses. Therefore, we had to alert the workers' and peasants' masses. It was this strategy that gave birth to the UTA (Union of Agricultural Workers) in 1970, and the UPPG (Union of the Poor Peasants of Guadeloupe), in 1972. In other sectors other comrades set up different unions such as the SGEG (General Opposition Trade Union in Guadeloupe).

Then we had to establish contact with the intellectuals, the workers, and the peasants. Therefore, in 1973, we set up the UGTG (General Union of Guadeloupean Workers) which , actual , expressed itself in favor of

Guadeloupean independence. This having been accomplished, we had to give a political expression to this broad popular movement. We created a political party, the UPLG, whose purpose is to strengthen the unity with the people of Martinique and Guyane, gain national independence, and found a democratic people's state. . . ."

Therefore, in Guadeloupe the UPLG has the appearance of a semiclandestine party (with no proclaimed leadership structure), firmly resolved to gain its objectives. The mystery with which its leaders surround themselves is contributing to this reputation, therefore, some Guadeloupeans are today convinced that the "Army Liberation Group (GLA)" which claims credit for an assassination attempt in the course of which Raymond Vivies was severely wounded, is, in fact, the armed branch of the UPLG, the more so since some newspaper managers have received a letter addressed to the prefect, find "UPLG-GLA." "This is a maneuver," claims Zandronis, manager of the JOURNAL GUADELOUPEEN. The letter is a "deplorable forgery aimed at justifying an eventual repression to be mounted against the UPLG members." Yet, who is its real author? Who hides behind the GLA label? The two questions remain unanswered.

A New Language

This independist respiration has been to the detriment of the autonomists and, particularly, the Communist Party of Guadeloupe which had opposed the GONG activities in 1967 and which is represented in parliament only by Marcel Gargar, a senator affiliated with the communist group.

Having lost ground in the course of the last local elections, the communist autonomists may have to review their position concerning the independists. Hegesippe Ibene, mayor of Sainte-Anne and former Pointe-a-Pitre deputy and leader of the PCG stated last January that, "We know that the different leftist movements exist only for the sake of attacking the Communist Party; this is their main concern."

Yet, on the subject of the independists' claim, he added that, "Our position is not rigid. Independence is a hypothesis which we do not reject. A colonized people have absolutely the right to formulate the claim to independence. However, it also has the right to demand autonomy."

Most Guadeloupean observers agree on the fact that in the island the autonomy slogan seem obsolete today. The electoral body no longer takes the median way: It will either send, as in 1978, three departmentalists to the National Assembly, or else it will massively abstain from voting, thus following the slogan of the independists.

As of that point, even though it may still control the major cities, such as Basse-Terre, Sainte-Anne, and Pointe-a-Pitre, the PCG runs the risk of seeing its electorate erode. This may encourage it adopt nationalistic positions. The recent loss of the important city of Capesterre gave it a major warning.

For the time being, however, the parties favoring autonomy and those favoring independence have not as yet opened a dialogue.

Yet, the effects of the government's policy and the prospects for a general strike starting with 17 April, coordinated with the trade unions of Martinique and Guyane, have led various trade unions largely controlled by these parties to meet. "An enormous step has been taken," stated Morvan, secretary general of the CGTG (General Union of Guadeloupean Workers), whose organization is putting more and more distance between it and the PCG.

It is symptomatic that the intiative for the trade union meetings which took place on 29 February and 21 March was precisely assumed by the CGTG, the more powerful union in the department (73 percent of the vote in Basse-Terre and 68 percent in Pointe-a-Pitre in the elections for conciliation boards). It is also significant that the CGTG and the CGTG (independist) have been instructed by the other trade unions to seek an agreement on formulating the claims of the workers concerning "decolonization" and defense of the purchasing power.

"Yes, there was a time when we refused to sit together with the UGTG," emphasizes Morvan. "Today matters have changed greatly and we are talking to it. The slogan it supports is of no importance. We shall take the side of those who, whether independists or autonomists--that is not our problem--will defend best the interests of the workers."

This is a political language new to Guadeloupe.

FOOTNOTES

1. Dijoud made this statement in an interview broadcast on 6 March on FR 3. The secretary of state explained, subsequently, that it was a question of a "tirade," which expressed his wish to "shake up everyone" and express his irritation "at some local foot-dragging."

2. Lucien Bernier (Guadeloupean Departmentalist Socialist Movement), mayor of Saint-Francois and president of the general council, was elected president of the departmental assembly in March 1979 by 18 votes against 17 cast for Georges Dagonia (Socialist Party), the outgoing president. Three island deputies, Jose Moustache, Mariani Maximin, and Raymond Guilliod, are members of the RPR [Rally for the Republic].

5157
CSO: 3100

PNDPH PREPARES REVOLT AGAINST DUVALIER

Mexico City EXCELSIOR in Spanish 9 May 80 p 1-A, 14-A

[Article by Jorge Uribe Navarrete: "L. Laine Says Duvalier's Hour Has Struck"]

[Text] Miami, Florida, 8 May--Hundreds of men are getting ready militarily in various places throughout the United States, Canada, and South America in order, within a not too long span of time, to launch what this year can be an armed offensive aimed at overthrowing the dictatorship of Jean Claude (Baby Doc) Duvalier, in Haiti.

The special correspondent from EXCELSIOR was taken to places far from this city, apparently near the many swamps along the coast of Florida, and was shown an arsenal that will be used against Duvalier, including M-1, M-14, and M-16 automatic rifles, submachineguns, and machineguns.

"The time has come to discard words and theory and switch to armed action. Our people has for the past 20 years been suffering from Duvalierist oppression. So far, 700,000 persons have been murdered by Francois Duvalier (Papa Doc) and his son, Jean Claude. And if that is not bad enough, all of those brothers who managed to escape from the prisons of the tontons macoutes to get to the United States suffer indescribable hardships there," said Dr Lionel J. Laine, secretary-general of the PNDPH (National Democratic Progressive Party of Haiti).

"The political game which we pursued in Haiti has been insufficient. We have demonstrated our inability to oust the dictatorship. We believe nevertheless that all possibilities are good. But among those possibilities, we have also decided to take up arms. It is obvious that we cannot decide that action against the tyranny and its minions should be launched right now but I can tell you that it will be soon," Dr Laine pointed out.

He noted that, although it is true that his party has certain points of agreement with the Socialist International, it does not identify with any

hegemonic power nor with any systems based on the exploitation of man.

"The group welcomes any patriot who wants to collaborate in our task to abolish Duvalierism in Haiti," said Lionel J. Laine, a doctor who got his degree in France and who, during the interview given to EXCELSIOR, was accompanied by the party's organizational secretary Jean Robert Menard and other leaders.

Adventurism? Guerilla War

"Doctor, do you not think that launching a guerilla war in Haiti would be more than risky, in other words, it would boil down to adventurism?"

"Absolutely. By virtue of the contacts we have in the interior, we know that there are many groups that, at the right time, want to join a more dynamic struggle against a regime which day after day is losing its power base, that is, the army.

"But I want to make it clear that the decision to fight with weapons against the dictatorship is a decision which has been imposed upon us by the rank and file, by the people. We are the revolutionary vanguard but we follow the majority line. It suffices for me to tell you that our organization already has 14 affiliated federations, five of them abroad and nine in Haiti.

"The Central Committee, whose chairman I am, has representatives in New York and other parts of Haiti," he indicated.

Laine admitted that this information can cause him personal problems and can also create problems for his party. However, he explained that this is not a spontaneous action but rather a party decision.

"We want Latin America to be the first region to know that we Haitian patriots are not sitting on our hands, just talking. We need the solidarity of all Latin Americans, of the Africans, of the countries of the Third World. And to attract solidarity we first of all want to demonstrate to them that we are doing something concrete. We are getting ready for the struggle, which may break out at any moment. We are nationalists, democrats, and progressives. We want to restore democracy in our country and we are sure that these postulates will be supported by men of good will," he emphasized.

"Such movements are usually referred to as communist, pro-Castro, and as being supported or promoted by Moscow. Is there any truth to that?"

"I said that we support a broad platform. We do not reject anybody; we only want to unite the Haitian patriots in support of liberation. Therefore, our crusade consists of communists, Christians, Maoists, Lutherans, or any other tendency. However, I want to make it clear that we are not getting any support nor did we ask for any support from Moscow or Washington."

The secretary-general explained that military training, which may be given on United States territory, is minimal. "There is strong police control here. There is much repression here. President Carter talks much about human rights but we all see how he supports Jean Claude Duvalier. It is very difficult for us to be able to train here. However, as you have seen, we are doing something--or much. I must also point out that our main training centers are in other regions, and there are several in Africa."

"Do you believe that militia forces trained abroad are capable of facing the fearful Leopards, the Duvalierist elite corps?"

"I am not trying to tell you that our revolution is completely mature. But there is something in that. Fear, confusion, anger, and despair have also touched the army. Many officers may be happy but the troops are made up of peasants. Anything might happen. We do have contacts."

Main Problem in Haitian Dispute

"So, what is the main problem?"

"The Duvalier family. After the head of the snake has been smashed, the body will be easy. I want to note that, when we defeat the Duvalierist dictatorship, we will ask governments all over the world to block the accounts of the satraps, to return to us the money they stole from our people, who are surely the poorest in the world. Jean Claude will certainly run to seek refuge with his friend Somoza but, no matter where he goes, we will demand his extradition."

After repeating that the PNDPH does not want to mix its revolution up with anything else, Dr Laine concluded: "We are sure of winning. We only ask the world that it leave it up to us, Haitians, to resolve our drama. If the Marines do not come--within the very near future, then we will all be expecting them in a free Haiti. We will demonstrate to those who received our exiles with kicks that we, on our poor and suffering land, are hospitable and generous."

It seems that the certainty displayed by Dr Laine, regarding the possibilities of success, is shared by thousands of Haitians who live illegally in the United States.

During a semiclandestine meeting held in a church in the Haitian black ghettoes of Miami, the correspondent from EXCELSIOR--due to the courtesy of Professor Mauclair Agustin, a former sociology student at the UNAM [National Autonomous University of Mexico], a former student at the Sorbonne, as well as Cambridge, who interpreted from Spanish-American into Spanish--listened to many participants make statements such as these: "We hope that they will

never grant us political asylum in the United States because if that were to happen, our ranks would be invaded by conformism. Many would get caught in this mess. Others would prefer to hold on to what little this land can offer us which has only opened the prison gates to us."

Another one said: "We continue to hate more and more with ever greater force. Hatred will give us strength to return to our land to fight. Revolutions are not made from exile. It is good for us to stay here while we get organized; but revolutions are made over there. Just like those being made by our brothers in El Salvador and such as our brothers did in Nicaragua."

The politization of the illegal Haitian refugees in the United States--according to Professor Mauclair Agustin--is a rather explicable social phenomenon. The majority of them are people from the lowest social strata. One must not forget that Haiti has an illiteracy rate of 80 percent in the rural areas. On arriving in the United States, many learn to read, they begin to get together and meet for the sole purpose of surviving. This leads to the birth of the group spirit. People get more homesick for the fatherland and the only possibility they can see for ever getting back is a change in government.

"Thus the United States is doing its friend Duvalier a favor in keeping our brothers completely on the sidelines. Here, as you have seen, insurgency is flourishing and the revolution is growing stronger. I believe that the first guerrilla expeditions will start from here and they will put an end to the dictatorship," noted Agustin, a Haitian intellectual who saw the inside of jails in the United States after having been accused of being a political activist.

One of the most moving demonstrations of the kind of love which the Haitians still have for their tormented home country was given by Paul Gentrec, a senior citizen. Sitting in front of the door of his home, in one of the poorest camps at Pompano Beach, the old man listened with closed eyes to a song record by Cuco Sanchez, in Spanish. (In Haiti, Mexican music is almost more popular than Haitian music due to the influence of Mexican motion pictures during the last decade.)

"Oh! How happy I will become again in my heart after I have returned to my fields and can listen to that same music!" Gentrec mused in Spanish-American dialect.

5058
CSO: 3010

TAIWAN FOREIGN MINISTER HEADS VISITING DELEGATION

Reception Given

OW071129 Taipei CNA in English 0241 GMT 7 Jun 80

[Text] Panama City, June 7 (CNA)--On behalf of his government, Haitian Foreign Minister Georges Salomon decorated Foreign Minister Chu Fu-sung of the Republic of China with the Order of the Most Grand Cruz with grand cordon and hosted a formal reception in honor of Chu and his delegation at Hotel Choucoumz Thursday night.

Speaking to guests who were invited to take part in the reception, the Haitian foreign minister praised the contributions of the Republic of China has made to the progress of world civilization and the statesmenship of Dr. Sun Yat-sen and Generalissimo Chiang Kai-shek. He expressed his admiration to the leadership of President Chiang Ching-kuo and his determination of making a true united and democratic China. He repeatedly said that he is confident that the task of mainland recovery and reconstruction will be completed in the foreseeable future.

He announced that the two countries have decided to enlarge their technical, cultural and economic relationship.

Returning his courtesy, Minister Chu awarded the Medal of Brilliant Star with grand cordon to Minister of Foreign Affairs Georges Salomon, Minister Julius Bliure Rene Destin and Minister of the Presidential Office Henry Bayard of Haiti.

During the reception Minister Chu expressed the admiration of the progress of Haiti has reached in all fields under the leadership of President Jean-Claude Duvalier, and appreciated the moral support of Haiti in international arean to the Republic of China.

## Duvalier Grants Audience

OW071133 Taipei CNA in English 1015 GMT 7 Jun 80

[Text] Panama City, June 6 (CNA)--Haitian president reaffirmed Friday that the traditional friendship between Haiti and the Republic of China will be fortified and deepened.

President Jean-Claude Duvalier granted Friday an audience to Chinese Foreign Minister Chu Fu-sung and Chinese Ambassador Le Nan-hsin at the presidential palace. That is the first time the lifelong president receives foreign diplomat after his wedding which was celebrated on May 27.

Chinese Minister Chu presented the autograph letter of President Chiang Ching-kuo to Duvalier and offered the heartily greetings of President Chiang for his happy wedding. Duvalier said that for the friendship between governments and peoples of Haiti and China. [as received]

He gave up his honey-moon to meet the honor guest of his government from the Republic of China Friday. He hoped Minister Chu to bring back the sincere considerations of Haitian Government and people to the eminent President Chiang Ching-kuo and cultural relations will be strengthened.

President Duvalier also appreciated the positive results of the Chinese agricultural technical mission has reached in improving the economic conditions of Haitian peasants, and said he was very pleased to hear that his minister of foreign affairs and minister of agriculture will pay official visit to Taipei in near future to discuss for more concrete technical operation projects.

## Minister Chu's Comments

OW071141 Taipei CNA in English 1009 GMT 7 Jun 80

[Text] Panama City, June 6 (CNA)--The true friendship of the Republic of China with those six Central American and Caribbean countries won't be affected by any change of international situation and will be tied more closely in further ahead, declared Chinese Foreign Minister Chu Fu-sung.

Mr. Chu told the Central News Agency reporter here that his visit to Costa Rica, Panama, Honduras, Guatemala, Dominican Republic and Haiti has proved that the existing long time close relations in fields of political affairs, economy, agriculture and technology among the Republic of China and the six friendly countries will be more tightened and many new technical cooperation projects are under way for studies.

He added that after exchanging views on political affairs with his counterparts of those six countries, he found out that all of them recognize the threat and challenge of communist to their national security and worry about

the incessant infiltration of communists with violent acts in this region. They all admire the firm stand of anti-communist movement of the Government of the Republic of China, and they agreed that communism is not an adapt political ideology for the constructive nations.

In conclusion Minister Chu said "the virtue does not stand alone, it will attract neighbours," by this reason he believed that "we can certainly win the anticommunist battle."

CSO: 3020

COEXISTENCE OF OFFICIAL, INDEPENDENT PRESS DISCUSSED

Port-au-Prince LE PETIT SAMEDI SOIR in French 10-23 May 80 p 18

[Article by Jean-Robert Herard--passages between slantlines originally published in italics]

[Text] One night, six masked men break into her house. She is sleeping peacefully with her daughters upstairs. The "impromptu visitors" didn't go there with idle hands: the sleepers are brutally molested. The two girls are left on the sidewalk. As for her, the thugs drag her to a remote place more appropriate for this kind of bastinado. The following day she is found hysterical and nearly nude on the Delmas road. She is quickly taken to the hospital for emergency treatment. The Feminine League for Social Action protests. Silence.

What is all this? The prolog to a detective novel? No! It is a true story, lived through by a Haitian journalist: Mrs Yvonne Hakime-Rimpel. That was in the last of the fifties.

Subsequently, one will see stories of this type, going from beatings to sacking editorial offices. HAITI-MIROIR, the pro-Dejoie publication of Albert Occenade, Antoine Petit's LE PATRIOTE, the Catholic newspaper LA PHALANGE, were one fine day literally plundered just like that.

During the seventies, Gasner Raymond (PETIT SAMEDI SOIR) will fall into a cunningly contrived trap and be found dead at Biaches. Reverend Neree (HEBDO JEUNE PRESSE), following an article on the militia, will be severely beaten by 2 tontons-macoutes [bogeymen] who "cornered" him on the Delmas road. Ezechiel Abellard ("Radio Metropole") after a night at work, will be picked up by armed civilians and disappear in the prisons. Not to speak of the "pressing invitations," direct intimidations (letters, telephone calls from anonymous callers) and indirect, too (of the kind "a friend who wishes you well," etc...)

This kind of relationship between the regime in place and the press does not date only from the fifties and sixties. For example, a journalist like George Petit, editor-in-chief of L'INDEPENDANCE, will in 1958 be in prison

for the seventeenth time, the first going back all the way to the North American military occupation. Relations always bear the mark of the arbitrary and of hard hitting.

From 1946 to today, the press has been evolving, whether within a context characterized by state force and violence, or during a period of detente with a certain air of democracy. Some would speak of toleration.

But how do things look in 1980? The political climate engendered by the 1971 government and changes in global realities have ended up creating the objective conditions for the rise of a press which is no longer daddy's child. Just as news has acquired an important place in the daily life of the nation. And one will see, alongside the government radio stations and newspapers, media which proclaim they have an independent line filling the space opened up by this current situation. And, as present realities show, it is in this space that the practices of the different press organs are articulated and...clash. The cleavage manifest here can only be explained by divergent interests. A cleavage illustrated by the striking difference even in production of articles.

The System of the Official Media

The articles of the governmental media play a full-fledged role in the activities of the governing class. This mode of discourse, whether by open propaganda or straight news, is integrated into the framework of overall planning. It excels through its coherence and tenacity at /reproducing/ a fixed situation. Its goal is to maintain the status quo, to provide the specific conditions which the other organs of the state, through power or the law, guarantee. The production of this discourse is indistinguishable from the political and economic practices which prevail in society. It can be understood as being the organic effect of these practices. This only in the first stage. That is to say that it is not /only/ and /essentially/ these practices which determine the discourse; the latter also plays a role in choosing the form and modifications of the practices. The function of the discourse is not to prevail, just as it is not for the practices. Their functions overlap into each other. If this discourse /reflects/ particular activities of the system, it remains no less true that is determines the direction of these activities.

This discourse is ideological. It is also closed. It imposes order, the diktat. It gives birth to what someone has called /"a state of mind in which the language of authority is the language of truth."/...

In a word, the discursive operations of the governmental media respond to the line of action prescribed by the constituted authority...These media produce and disseminate a dominant language. They are always there to provoke spectacular mass demonstrations, to launch calls to arms, to applaud the actions of the government...They inspire an attitude which serves the interests of the "bloc in power"...

The System of the Independent Media

The discourse of the independent media is circumstantial and has a very strong reformist, liberal connotation. The universe of this discourse envelops the time between the beginning of the seventies and today: the right to information, the right to differ, the right to work freely without fear of being arrested, the right to form independent professional associations, access to sources of information, freedom to investigate, etc... The discursive system of the independent media, by its liberal nature, is in the avantgarde of the emerging demands of the middle and lower classes of the country. It does not /create/ events. To the contrary, it is objective material conditions which determine the conditions of production, circulation, and consumption of this language. Even though it makes use of a structured and refined referential framework within the seraglio of the dominant ideology, this language all the same puts into question many practices, destroys certain reflexes, disturbs certain modes...It will be a new language which produces a new message.

It has resulted in the establishment of a new rationality, by rejecting the ideological and other "ready-to-wear" goods, and by basing its operations on [missed line] of the status of the people in putting out the messages. A very difficult task for the written journal given the rate of illiteracy in Haiti. The independent radio stations can more easily, in the words of a certain cultural revolution, /"get the word to the people."/ They can all also easily break the transmitter-receiver unilinearity [sic]. Just as, in the Creole language, it is no great trick to relay news of people's activities. For example, the Boat People will recount their frustrations, their hopes on the microphone with a radio reporter. But they cannot prepare an article for the cover story of a weekly.

As of May 1980 this is where we are: the production of co-existent different messages...established according to interests and the line being pursued.

9516
CSO: 3100

## BRIEFS

ANGUILLA REINSTATES WEBSTER--The Valley, May 31 (CANA)--Chief Minister Ronald Webster, again firmly in control of Anguilla following Wednesday's general election, has called for a return to harmony and peace in this tiny British colony. Webster was making his first national broadcast last night since Wednesday's upset of Emile Gumbs, the man who was made head of government when Webster was dismissed early 1977. His Anguilla United Movement (AUM) won six of the seven seats in the legislative assembly, while Gumbs got the lone seat for his Anguilla National Alliance (ANA). The chief minister told the 6,000 population on this 35-square-mile island that the path for its constitutional progress was clear. He said steps would be taken immediately for advance towards the goal of full internal self-government with a proper ministerial system. [Text] [FL061615 Kingston DAILY GLEANER in English 3 Jun 80 p 3]

NOMINATION PROCEEDINGS LEGISLATION--The government is shortly to introduce in the house legislation to give clear powers to the governor general to cancel nomination proceedings and call fresh nominations. This comes in the wake of a supreme court judgment last week that declared unconstitutional the government's decision to set aside the first nomination day in the by-election for West St Andrew in 1978 following an outbreak of violence and several irregularities. The judgment has raised questions regarding the tenure of MP Dudley Thompson who finally won the election and it is to be tested in the court of appeal. The acting prime minister, P. J. Patterson, gave notice of the enabling legislation in a statement to the house yesterday. He said that whatever the outcome of the appeal, the law must make clear and beyond any doubt that under the circumstances that existed in West St Andrew on July 10th, 1978, the governor general had the right to terminate the proceedings and declare a new nomination day. Turning to the judgment itself, Mr Patterson observed that while ruling against the canceling of the nomination, the court had not declared Mr Thompson's seat vacant nor had it dealt with the validity or invalidity of his seat. [Text] [FL041215 Kingston Domestic Service in English 1130 GMT 4 Jun 80]

CSO: 3020

## COMMUNIST PARTY POSITION ON INDEPENDENCE, AUTONOMY ISSUES

Paris LE MATIN in French 12 Apr 80 p 3

[Article by Philippe Leymarie: "Martinique: Local Communist Party Tempted by Nationalism"]

[Text] Several days before the general strike in the French Antilles, the Communist Party of Martinique debated in its congress the struggle for national liberation.

The Communist Party of Martinique (PCM) which had set up with Aime Cesaire's Progressive Party of Martinique a National Autonomy Front, currently disbanded, is holding its congress on 12 and 13 April, the first following the failure of the left in the March 1978 legislative elections. The "theses" submitted for discussion by the delegates take up and refine the conclusions of its December 1978 national conference on "the class struggle and the struggle for national liberation." Like the Communist Party of Guadeloupe (PCG) which may be on the eve of a decisive turn, the PCM could turn its policy toward greater nationalism, thus coming closer to the independists.

The Martinican communists, whose influence has been steadily declining in recent years, are aware of the fact that the classical options submitted to the public opinion of the Antilles are today blocked. The departmental status, loudly demanded by the left starting with 1946 as an improvement on the colonial status, is considered, to an ever greater extent, as "genocide." It is paralleled by forsaking all domestic production, rejection of the Martinican character, and a forced exile to France for a segment of the youth, while, conversely, a current of emigration from France to the Antilles is developing.

As to self-determination, the traditional claim of Martinican communists and progressives, it has been made improbable as a result of the division of leftist forces in France. Furthermore, even though frequently showing its discontent, the bulk of the population does not seem to be ready to reject a status which, at least, has improved its living standard over the past 20 years, even though it failed to protect its dignity and pride.

Armand Nicolas, secretary general of the PCM, agrees that this panic fear of losing the advantages frequently gained through the intensive struggle waged by the workers, may also lead to strengthening dependence and assimilation: Such is the case, for example, with French unemployment legislation which has only now been extended to overseas departments, 25 years following the acquisition of department status, and which is also the result of coordinated protest which the local RPR [Rally for the Republic] and the UDF [French Democratic Union] finally joined.

The PCM, therefore, is looking for a "third way:" While still supporting the formula of "democratic and popular autonomy," it wants to "take into consideration the appearance within the intellectual petite bourgeoisie and even in workers' circles, of a national feeling or awareness," as was explained to us by Armand Nicolas. The mobilization with a view to the 17 April general strike, which involves all autonomist and independist parties or trade unions, will provide the Martinican communists (and the CGT [General Confederation of Labor]), under their influence, a first opportunity to test the new theses.

Also, the congress is being held a few weeks following the explosive statements by Aime Cesaire, the deputy mayor of Fort-de-France, who left the PCM in 1956 to found the current Progressive Party of Martinique: For the first time, someone whose personality dominates the sum total of Martinican opposition, has publicly considered the independence of the island as an inevitable prospect, the only one capable of insuring the survival of the Martinican people in the face of a mother country more than ever bent on assimilation.

5157
CSO: 3100

## CESAIRE'S CONCEPT OF 'INEVITABLE INDEPENDENCE' QUESTIONED

Paris LE MONDE in French 17 Apr 80 p 2

[Letter to the editor by J.-C. B.: "Three Questions"]

[Text] J.-C. B., who works and lives in Fort-de-France, sent us the following letter, asking us to respect his anonimity for personal and professional reasons:

As Mr Rocard recently pointed out, the DOM [Overseas Departments] are, constitutionally speaking, French departments and, in principle, nothing could change this state of affairs. This institutional question, which should be basic for a legitimate state and which is the result of the concept of colonization developed in France ("You are full Frenchmen") has never arisen in England which, as a country of shopkeepers, as everyone knows, was careful not to instill in its "colonized subjects" ideas which it clearly considered false.

This institutional question is insoluble to such an extent that in a few days' interval, one could see a minister claim, on the one hand, that the population of the DOM is French, definitively French, while, on the other, after talking with noted independists, state that France, being a democracy, it is normal for anyone to express his opinions. The second reasoning is juridically false: Any Frenchman promoting separatism face the State Security Court.

It is clear, therefore, that theoretical though it might be since, when the day comes, it will not be all that important, in practical terms this is an extremely embarrassing question. Statements such as those we cited create extremely high doubts in the minds of the average DOM citizens.

The second question to be considered is that of the unavoidable nature of independence which will arrive, according to Cesaire, sooner or later. Why, in effect, does independence seem unavoidable not only in the eyes of a philosopher but of a large majority of the population? Let us point out that this is more a statement of fact than a wish. Unavoidable means, in this case, inevitable, whatever one may do. ("Sooner or later

Martinique will be independent.") Naturally, a parallel may be drawn with Algeria or other previously colonial countries such as Senegal, whose president is so close to Cesaire in terms of ideas, and say that it is unavoidable because one cannot decree that nations that have nothing to do with France in terms of race, mentality, way of life, beliefs, etc., are French. It seems to us, however, that the question is far more complex.

Considering the uniqueness of Martinique, we must realize that it is inhabited by mixed breeds of all shades, most of them hardened consumers, i.e., "Westernized" people who believe themselves to be entirely different from the average African, Guyanese, or Dominican, living 30 kilometers to the north, and with whom contacts are few. Let us not forget that a large percentage of Martinican officials have lived in France for many years, that 300,000 people from the Antilles live in the Paris area, that many of them have an apartment and a beautiful car, and consider a vacation in Europe normal, and that the dream of all those who cannot afford this life-style dream of affording it. Finally, let us not forget that most of them are Roman Catholic.

It is within this context that the question of "Why is it that independence appears to be unavoidable in the eyes of Mr Cesaire and many others?" becomes difficult to answer. There seems to exist a sort of fatality rooted in the weariness of the state. We believe that in the same way that when Louis XVI summoned the General States, an infinitesimal minority of people called for the abolition of the monarchy, today it is an infinitesimal minority that demands Martinican independence. Yet, the monarchy was abolished, and yet, Martinique will, unquestionably, become independent.

This passive invasion of the minds by the idea of a fatal independence is the corrolary of the weariness of the state. Whereas, according to Cesaire, Martinique is a fruit which, ripening, should fall, in our view, it is rather the branch on which it hangs that would break.

In the same way that we see some gravely ill people give up the struggle and accept to die, we believe that there comes a time when a state gives up the struggle not because it is defeated but because it no longer has the will to "withstand."

The third question, therefore, is why does a state lose this will? The will of the state is, unquestionably, nothing but the institutional interpretation of the will of its citizens. In this case, in the case of these overseas departments, located so far away that so many Frenchmen would be incapable of locating them on a map, what would their attitude be? As we see it, it is indifference if not the secret desire to "get rid of them." This is an attitude which, unquestionably, could be

explained, on the one hand, by the subconscious amalgamation of a recent French decolonization passed, related to the situation in the overseas departments, even though, as we pointed out, here the problem is different, and, on the other, because the French appear to have enough personal and hexagonal concerns preventing them from enjoying the luxury of maintaining a colonialist state of mind.

What would remain, therefore, would be the local "silent majority" of the DOM. It is obvious that this majority exists. However, it is morally worn out, deprived of fighting spirit, accustomed to being helped and nurtured along, hanging without any reaction to this famous branch which is about to break and, finally, ready to surrender, since it is true that history is not written with the support of silent majorities but with the help of small activist groups which impose, through violence and blood, the generous thoughts distilled in the silence of the offices of a few philosophers who are quickly frightened by the possible consequences of their thoughts. However noble the Cesaire-Senghor idea may be of an independent nation synthesizing its initial cultural resources with a Cartesian rationalism, this idea is a Utopia to the extent to which the DOM, more than many other decolonized states, have no potential economic future in the current world.

The only possible way, therefore, objectively, could only be that of economic and cultural regression. The only fight which, in our view, should have been waged in these DOM should have been not that of a free way to subordination to an unreasoned fate, but that of the assertion of a Creole sensitivity and culture which could draw strength only through close links with the colonizer. Yes, Cesaire says, he had believed that... then he realized that he was mistaken.... It was not a question of believing but of acting.

The work which the Martinicans are asked to perform in terms of independence would have certainly been far more productive with the support of France compared with the framework of a country in a perennial state of development. In reality, however, going beyond all such considerations, let us believe that a country which was colonized in the conditions of Martinique is, sooner or later, "sentenced" to independence. This should be the topic of other thoughts than the study of such inevitability from the viewpoint of a psychoanalysis to be invented, applicable to initially enslaved peoples.

9157
CSO: 3100

SOCIALIST SOLUTION TO AUTONOMY, INDEPENDENCE ISSUES

Paris LE MONDE in French 17 Apr 80 p 2

[Article by Ernest Wan-Ajouhu, socialist mayor of Francois and general councillor: "For a Median Way"]

[Text] "The public order is threatened by the forthcoming arrival of Cubans." Such is the summary of an official statement. Several days later, without any event occurring, "order was reestablished," since it was not confirmed that Cubans would arrive. . . . and so on, and so forth...

The habit has set of making fun of this population and there is the wish to completely exploit its credulity and its respect for official and written statements, and to frighten it even more, as though the attempts so far carried out were not sufficient.

Furthermore, the thrust of such maneuvers is not so much aimed at Martinican public opinion: It is a question of conditioning the opinion of the Frenchman in the Hexagon, to try to justify anything that may happen to Martinique. For, should the powers that be follow their way, inevitably regrettable events will take place which, paradoxically, seem to be wished by the people in power who are hiding behind the prefectoral administration.

The psychological intoxication eventually develops a "boomerang" effect and turns against its handlers. It is already possible to note that the orgy of majority propaganda, using the radio and television, not available to the opposition, did not weaken the positions of the autonomist candidate in the partial cantonal election in Fort-de-France: The majority called for independence for the sake of frightening the voters but it was its own candidates who were far behind the autonomist candidate.

Asking both of them about what interest is there to remain French "now and always for eternity," . . . The most frequent answer is a shrug of the shoulders. A few answer, "Why being French? Some say that they are holding us through the francs they pour on us. If others wish to take

their place and give us as much or more, why not?" This allusion does not apply to the Cubans. A while back, such thoughts would have been unimaginable, unmentionable. However, the official statements which hurt our dignity lead us to say that if we are to be considered in the category of prostitutes, why not give ourselves to the most generous. . . . Is France certain of being the strongest in such a possible game? Every year the United States spends $750 per resident in food stamps and various aids to Puerto Rico (LE MONDE, 20 March 1980) covering some 3.5 million residents.

Naturally, this kind of talk is not that of the autonomists whose weakness lies precisely in their unwillingness to break the ties with France! They know that, should they adopt a different attitude, the fatal outcome would be an American takeover, at least as far as the Martinican economy is concerned, unless one wishes an excessively brutal regression, should independence occur.

Some independists would not be adverse to such a solution which is no longer very frightening since, in the final account, open American racism is in a steady state of regression for a variety of reasons, whereas the racism of some French circles, even though denied, is surreptitiously progressing.

In any case, it is the propagandists of the government who bear the responsibility for such new developments.

The Weakness of Believing in Democracy

Another weakness of the autonomists is to believe in democracy, whereas the supporters of the status quo call for repression and for a virtually dictatorial regime. The local representatives of the RPR have admitted to have asked for a police troop for Martinique (could it be more policed than it already is!). . . It is strange that people who claim to be in the majority in the country refuse the eventual assumption of more power. Is it not more comfortable to blame the administration for all the ills? What would they have to fear in a Martinique ruled by a "presidential majority?" Do they fear their inability to restrain their appetites and their instincts? Why is it that the majority is unwilling to assume greater responsibility in managing the affairs of the country when, as it claims, it is supported by the voters?

It would be unnecessary to emphasize the choice made between hiding behind the government and the prefectoral administration and assuming factual responsibilities.

My party, the socialist party, has suggested a solution which some people may consider timid. It consists of adopting a median way not for the sake of pleasing everyone but for the desire to administer the necessary shock

for starting again and resuming work. A draft bill has been submitted to the National Assembly. The position of prefect would be abolished. The executive power will be assumed by a "departmental" assembly or by its bureau, thus eliminating the entirely useless regional assembly, for Martinique is a department-region; the government's representative would intervene only after the fact. In all liklihood, there would be an avoidance of conditions of responsibility, which is not the case currently as confirmed by the number of positions held by some individuals.

The mentality of the population is such that flattering or repressive speeches on social or economic departmentalization would change nothing. The Martinican enterprises will continue to export their capital and to work with Martinican savings which, actually, through the effect of bank loans, contributes to the higher cost of living. The Martinicans would continue to rely on subsidies. Nothing, all ministerial statements notwithstanding, would change matters and, inevitably, we would sink to the bottom.

There is a better choice: A renovation is needed to enable us to start again; the Martinicans must assume responsibility for their own affairs. The median way suggested by the socialist party would enable both to contribute everything they can and could only benefit the reaching of a real solution not based on electoral demagogy.

9157
CSO: 3100

## BRIEFS

STRONG EARTH TREMOR FELT--Lima, 26 May (LATIN)--The Peruvian Geophysical Institute here has reported that a strong earth tremor was felt this afternoon in the departments of Arequipa and Tacna in the southern part of the country, on the border with Chile. No damage or injuries have yet been reported. The institute's report indicates that the tremor shook Arequipa and Tacna at 1342 local time (1842 GMT), registered 4 degrees on the Mercalli scale and lasted 20 seconds. It adds that the epicenter was located in Tacna, on the seacoast, 1,330 km south of Lima. A report by the civilian defense committee of Arequipa--1,100 km south of Lima--indicates that although people panicked, no injuries have been reported. [Text] [PY270143 Buenos Aires LATIN in Spanish 0030 GMT 27 May 80]

SLIGHT TREMOR HITS--Lima, 27 May (LATIN)--A slight tremor shook this capital early this morning and it was hardly noticed because most of the population were still asleep. The tremor was registered at 1025 GMT and its epicenter was located 60 kilometers southwest of Lima in the Pacific Ocean, according to the Peruvian Geophysical Institute. In the metropolitan area the tremor registered 2 degrees on the Mercalli scale. Another tremor was registered yesterday, just after noon, in the southern provinces of Arequipa and Tacna. It registered 4 degrees on the Mercalli scale and it lasted for 20 seconds. [Text] [PY271734 Buenos Aires LATIN in Spanish 1659 GMT 27 May 80]

CSO: 4010

## PCU'S ARISMENDI OFFERS STRATEGY TO SOLVE NATION'S WOES

Lisbon AVANTE! in Portuguese 1 May 80 p 11

> [Excerpt] Uruguay is currently experiencing a complex situation, but one which also brings together factors favoring the creation of conditions for the overthrow of the dictatorship.
>
> In the statement published below, Comrade Rodney Arismendi, secretary general of the PCU (Communist Party of Uruguay), analyzes the situation and discusses prospects for its resolution.

The success of the revolution in Nicaragua, achieved through popular support for the guerrilla war and the armed struggle, aroused unprecedented enthusiasm among the Uruguayan people.

Thus the unfolding of events in Latin America and the heroic struggle of the Uruguayan people are creating conditions for the overthrow of the dictatorship. The year 1980 will be decisive in revealing the fascist "timetable" for what it is, to the country and to the international community.

The leaders want to legitimize fascism, organizing elections with a single candidate presented by the armed forces, demanding the obligatory vote and maintaining the political constraints.

The dictatorship will not fall of its own accord, however. Thus a steadfast, harsh and difficult struggle, a determination to fight on all fronts will be required. Freedom will have to be won step by step, and the people will have a decisive role in this struggle. Truly popular resistance is increasingly strong, finding support in the struggle of the CNT (National Confederation of Workers) and in the actions of the democratic forces and those of the Communist Party.

The savagery of the regime is boundless. During the first months of 1979 the wave of repression was directed against the communists. The arrest of

many communist leaders was a serious blow, not only to the PCU, but to all the resistance forces. They were arrested at the moment when the struggle to unite all patriots, launched by the parties, the union and the student organizations in the capital and other regions of the country, had become widespread.

During 1979 there was a qualitative change in the political isolation of the dictatorship.

Internal and external factors have emerged which demonstrate that the overthrow of the dictatorship depends on the unity and cohesion of all the social and political forces opposing the regime, on their capacity to unite all patriots around a clear program that will enable the country to escape from the present situation.

The 1973 coup d'etat did not have the support of the workers, and resulted in systematic repression and an economic policy which aggravated the situation in the country, leading the popular masses into poverty. Hence, increasingly broad segments of society began to take part in the struggle against the regime.

All the political forces, without exception, denounce the dictatorship. They are becoming increasingly well mobilized. The unanimity of views of the leaders of the several parties regarding the negative results of the 1973 coup d'etat and the text of the declaration signed by hundreds of national party officials testify to this.

The declaration mirrors the disagreement of all the political forces in the country regarding the "timetable," as well as their shared view of the minimal program required to insure the full democratization of the country. Even the church opposes the regime and speaks out in defense of human rights.

In sum, in the political, social and economic life of Uruguay, the conditions are being created for the overthrow of the dictatorship. Unless real changes are made, the country will arrive at a situation like that of Nicaragua under the Somoza regime. With fascism declared, the "timetable" represents an even greater threat. Hence, the elimination of the "timetable" constitutes an immediate goal for all the patriotic forces. United action and a common program will contribute to the overthrow of the dictatorship, opening the way for real political changes and the triumph of all the conciliatory trends.

To define the foundations of a country, it is necessary to consult the people. This requires the creation of a constituent assembly, elected by universal suffrage, in a climate in which all the democratic freedoms are fully observed, political prisoners are freed and political bans are lifted. Along with the economic measures necessary to halt the deterioration of the people's living standards and to begin to rebuild the country, these steps could create a broader unity of forces. Convocation of a constituent

assembly will make it possible to place the nation's fate in the hands of the people and of all the democratic forces.

At this time, the dictatorship is, more than ever, isolated from the international community. There is increasing international solidarity, demonstrated by the OAS resolution and the resolution of the UN Commission on Human Rights, the creation of a solidarity movement and the speeches at the Sixth Conference of Nonalined Nations. That solidarity should be expressed, above all, in the struggle for amnesty and the liberation of all the political prisoners, who have been subjected to physical and psychological torture because the dictatorship has sought vengeance against the popular resistance through these individuals.

The patriots who have emigrated should also contribute to broadening the unity of forces opposing the dictatorship. The Broad Front has become a magnet for all the democratic currents.

As for the Communist Party, it will pursue the struggle within the country. This is guaranteed by the totally selfless action of its cadres and its rank and file, the steadfastness of the prisoners under torture, the party's commitment to the labor class and the people, its unbreakable ties with the masses and its patriotism.

Fascist "Timetable"

In a population of 2.8 million inhabitants, hundreds of thousands of people are political prisoners, not to mention those who have died in prison and the many who have disappeared.

The present regime is led by Aparicio Mandez, but the real power rests in the hands of the junta of generals, which emerged from the 1973 coup d'etat. Since then, it has adopted a policy of almost total denationalization and constantly increasing expenditures for "national security," and has woefully aggravated the country's economic situation.

Faced with the deterioration of its international image and the wear and tear created in the army by the corruption and the internal struggles, the government has announced a "timetable" (Political calendar), which includes a "plebescite" for the drafting of a new constitution and general elections in the coming year. The left would continue to be outside the law, however, and a single presidential candidate would be presented, a candidate chosen by the armed forces.

In light of this situation, the Broad Front, which comprises the political forces struggling for democracy, has published a declaration as an alternative to the "timetable." In brief, the declaration calls for:

-General amnesty, looking to the release of political and labor prisoners, the return of the exiles, the rehiring of those who have been dismissed, and the resolution of the problem of the "disappeared;"

-Reestablishment of democratic freedoms and the lifting of all restrictions and interdictions;

-Election of a constituent assembly, preceded by the reestablishment of free activity by all the political parties and the people, who should be free to speak out regarding the country's future;

-Adoption of immediate measures to rectify the critical economic situation of the people.

6362
CSO: 3001

## BRIEFS

NO GOVERNMENT AID--The current government policy toward the agricultural and livestock sectors will be maintained. This has been stated by Economy and Finance Minister Valentin Arismendi. The minister also said that certain adjustments have been implemented and announced. Minister Arismendi indicated that it is impossible to indiscriminately provide financial aid to those sectors which may find themselves in certain difficulties as a result of temporary circumstances. [Excerpt] [PY041946 Montevideo Radio El Espectador Network in Spanish 1600 GMT 4 Jun 80]

NEW COAST GUARD COMMANDER--Rear Adm (Jose Inesco) was appointed today as the new Uruguayan coast guard commander [prefecto nacional naval]. He will thus replace Rear Adm (Enrique Javie) who has been appointed director of the training division. [PY310054 Montevideo Radio El Espectador Network in Spanish 1600 GMT 30 May 80 PY]

CONTAINER CARGO SYSTEM--Col (Eugenio Ramirez), President of the Uruguayan Port Administration, has stated that the infrastructure for a container cargo system is being prepared in Montevideo port, and that the system will soon be in use. [PY051808 Montevideo Radio El Espectador Network in Spanish 1600 GMT 5 Jun 80 PY]

NEW AMBASSADOR TO U.S.--The new Uruguayan ambassador to the United States, Jorge Pacheco Areco, yesterday presented his credentials to President Jimmy Carter. [PY071934 Montevideo Radio El Espectador Network in Spanish 1600 GMT 7 Jun 80 PY]

SALTO GRANDE COMMISSION PRESIDENT--Gen German de la Fuente was sworn in today as the new president of the Uruguayan delegation to the joint technical commission of Salto Grande Binational Enterprise. General de la Fuente is taking the place of Jorge Echevarria Leunda whose resignation was accepted a few weeks ago. [PY031740 Montevideo Radio El Espectador Network in Spanish 1600 GMT 3 Jun 80 PY]

CSO: 3010

## FORMER GUERRILLA LEADER ARRESTED WITH DRUGS

Caracas EL NACIONAL in Spanish 23 Apr 80 p D-19

[Text] Valencia, 22 April (Special)--The police chief of Carabobo State, Col Neptali Gomez Pineda, announced this evening that a former guerrilla commander identified as Jose Martin Chirinos had been captured.

According to a press release, the arrest took place in the La Bocaina district, as police confiscated a jeep with a secret compartment containing 3,278 Mandrax pills, 5 grams of cocaine and several kilograms of marihuana.

Jose Martin Chirinos, who as a member of the subversive struggle was known as "Commander Chirinos," had apparently been leading a law-abiding life, having accepted the pacification policy.

According to the police press bulletin, his case has been referred to the Directorate of Intelligence and Prevention Services.

8743
CSO: 3010

MOBIL, CREOLE OBLIGED TO PAY OVER 1 BILLION BOLIVARS

Caracas EL NACIONAL in Spanish 13 May 80 p D-9

[Article by Jose Emilio Castellanos]

[Text] The Second Superior Income Tax Court has ruled against the Mobil and Creole companies in two petroleum compensation suits, ordering them to pay the nation more than 1 billion bolivars.

Both decision were unanimous among the three members of the court, which is presided over by Justice Manuel Ruiz Azuaje.

Under the two rulings, which have the same format, Creole and Mobil must pay the nation the sum of 1,024,068,289 bolivars in petroleum income tax underpayment.

The Creole Case

The lawsuit against the Creole Petroleum Corporation began with its appeal of the 939,869,836.67 bolivar assessment handed down against it on 29 March 1976 by the Auditing Division of the General Administration of the Comptrollership of the Republic.

On 13 October 1976, the trial court accepted the appeal and declared Justice Rafael J. Caldera Final the reporting judge. He later retired and was replaced by Dr Victor M. Velasquez Nunez.

After analyzing the grounds for the underpayment claim, filed by the comptrollership, and for the appeal, filed by Creole, the court declared that the appeal by the Creole Petroleum Corporation had lapsed and was therefore inadmissible under Article 131 of the current Income Tax Law, whose content is analogous to that of Article 127 of the 1960 law, which governed the phases of the trial.

In addition, under Article 145 of the Income Tax Law and in keeping with Article 172 of the Civil Procedure Code, the court expressly exempted the appellant from its court costs, even though the appeal filed was totally denied, "inasmuch as in the judgment of this court

it had reasonable grounds for filing it, since there were no legal precedents regarding the substance of the case and also because of the delays that the Executive Branch incurred in setting the values of the articles and merchandise exported from the Venezuelan port of shipment specified in Article 41 of the Income Tax Law."

The judge preparing the ruling noted that in its finding of 12 June 1978, the Third Income Tax Tribunal passed judgment on a similar case and denied the appeal filed.

He also pointed out that the attorney for the appellant appealed this ruling as well and that the case was brought before the Political-Administrative Division of the Supreme Court, which in its ruling of 30 October 1979 found the appeal inadmissible because it was filed after the statutory time limit had passed.

The judge who prepared the court's opinion, which was shared by the other two justices, also felt that it was not necessary to take up the substance of the problem because in standardizing its criteria it cited the Supreme Court's finding that the appeal had been filed too late.

In its ruling the court noted that an appeal to the income tax courts must be filed through the General Income Tax Administration within 15 working days from the date on which the liquidation statement or formal notification of the appealable administrative action was received.

The Supreme Court recently established a case precedent when it ruled that the applicable law is the Income Tax Law, not the Organic Law of the General Comptrollership of the Republic.

The Mobil Suit

The second case began when Mobil Oil Company of Venezuela filed a plenary jurisdiction appeal against the 84,198,451.21 bolivar underpayment claim that the Auditing Division of the Central Administration of the Comptrollership of the Republic filed against the appellant's fiscal year 1970 income-tax return.

The reporting judge in this case was Justice Efrain Godoy Boada, who found the appeal inadmissible due to the expiration of the term provided for in Article 131 of the Income Tax Law, which corresponds to Article 127 of the law that applied at the time that the appeal was filed and that the events giving rise to it took place.

The court noted that its ruling in this case was not impeded by the fact that it accepted and heard the appeal in accordance with the procedure outlined in the Organic Law of the General Comptrollership

of the Republic; "hence, in keeping with the opinion of the Supreme Court, which this court accepts, the court proceeding should have been the one established in the Income Tax Law for tax appeals."

It also exempted the appellant from the interest payments mentioned in Article 149 of the Income Tax Law, inasmuch as Mobil "had reasonable grounds for litigation and for filing its appeal when it did so."

Sixty-Three Underpayment Cases

There are currently 63 oil income underpayment cases totaling more than 2 billion bolivars before the Second Income Tax Court.

In the opinion of Justice Victor Velasquez, the case of the Creole Company is the most important, because the amount in question totals almost 1 billion bolivars.

The following are the 63 cases:

| Case No | Name of Company | Amount |
|---|---|---|
| 1,160 | Creole Petroleum Company | 939,869,838.67 |
| 1,161 | Shell de Venezuela | 690,320,775.68 |
| 1,162 | Phillips Petroleum Company | 13,285,307.23 |
| 1,163 | Mene Grande | 139,707,664.60 |
| 1,164 | International Petroleum Ltd. | 31,106,829.52 |
| 1,165 | Mobil | 84,198,451.21 |
| 1,166 | Coro Petroleum Co. | 1,100,186.86 |
| 1,167 | Hancock Venezuelan Oil | 946,593.65 |
| 1,168 | Pure Oil Co. | 1,829,404.23 |
| 1,169 | Caracas Petroleum | 6,050,724.05 |
| 1,170 | Tenneco Venezuela | 1,060,661.94 |
| 1,171 | Chevron Oil of Venezuela | 46,307,672.01 |
| 1,172 | Charter Venezuelan Petroleum | 1.708,989.55 |
| 1,173 | Texaco Seaboard | 11,149,019.83 |
| 1,174 | Texas Maracaibo | 60,039,304.45 |
| 1,175 | Texas Petroleum Co. | 29,273,468.97 |
| 1,176 | Ucar Interam Inc. | 14,139,963.31 |
| 1,177 | Murphy Oil Venezolano | 2,621,036.86 |
| 1,178 | Mangle Refineria | 1,008,723.05 |
| 1,179 | A. Johnson y Cia. | 26,952,158.24 |
| 1,180 | Ashland Oil Refinery Co | 2,627,959.95 |
| 1,181 | Monsanto Venezuela | 1,551,129.36 |
| 1,182 | Asiatic Petroleum Co. | 16,931,906.32 |
| 1,183 | Venezuelan Petroleum Corp. | 35,223,013.25 |
| 1,184 | Talor Petroleum C.A. | 3,043,232.35 |
| 1,185 | Venezuela Canada Oil | 182,435.96 |

| | | |
|---|---|---|
| 1,186 | Venezuelan Pacific Petroleum | 415,728.46 |
| 1,187 | Amoco Venezuela Oil Co | 5,789,922.23 |
| 1,188 | Mito Juan | 10,898,445.15 |
| 1,189 | Venezuela Atlantic Refining Co. | 1,154,184.09 |
| 1,190 | Sinclair | 14,589,347.87 |
| 1,276 | Caracas Petroleum | 417,837.42 |
| 1,277 | Phillips Petroleum Co | 2,545,950.44 |
| 1,278 | Murphy Oil Venezolano | 316,554.39 |
| 1,279 | A. Johnson y Cia. | 3,456,294.59 |
| 1,280 | Union Petrolera Venezolano C.A. | 313,092.22 |
| 1,281 | Mobil | 12,614,789.33 |
| 1,282 | Ashland Refinery Oil | 281,468.22 |
| 1,283 | Venezuelan Atlantic Refining | 4,846,211.15 |
| 1,284 | International Petroleum | 9,795,069.33 |
| 1,288 | Creole Petroleum Co. | 184,277,070.51 |
| 1,289 | Shell de Venezuela | 158,618,996.43 |
| 1,290 | Asiatic Petroleum Co. | 217,409.42 |
| 1,291 | Venezuela Canada Oil C.A. | 49,327.39 |
| 1,292 | Venezuela Pacific Petroleum | 115,144.97 |
| 1,293 | Talor Petroleum C.A. | 147,319.96 |
| 1,294 | Venezuelan Petroleum Corp | 9,758,122.28 |
| 1,295 | Amoco | 2,445,751.34 |
| 1,311 | Mene Grande | 26,586,340.64 |
| 1,312 | Ucar Interam Inc | 3,992,202.47 |
| 1,313 | Triangle Refinery Inc | 130,692.28 |
| 1,314 | Sinclair | 5,852,668.63 |
| 1,315 | Sunray Venezuelan Oil Co. | 1,190,706.21 |
| 1,316 | Venezuelan Sun Oil Co. | 12,260,961.78 |
| 1,317 | Tenneco | 376,750.76 |
| 1,318 | Hancock Oil Co. | 173,981.78 |
| 1,319 | Chevron Oil of Venezuela | 4,184,157.12 |
| 1,320 | Texaco Maracaibo | 10,093,947.25 |
| 1,321 | Coro Petroleum Co. | 117,682.44 |
| 1,322 | Pure Oil | 670,727.21 |
| 1,323 | Texaco Seaboard | 1,941,833.54 |
| 1,324 | Texas Petroleum Co. | 10,072,874.64 |
| 1,325 | Gulf Overside Trade Inc | 573,822.58 |

8743
CSO: 3010

MENEVEN TO UNDERTAKE OIL EXPLORATION IN GUARICO

Caracas EL UNIVERSAL in Spanish 16 May 80 Sec 2 p 7

[Text] MENEVEN will begin an ambitious program in Guarico State to determine the region's hydrocarbon potential and will, at the same time drill 24 wells in search of oil and gas.

According to sources in the PETROVEN [Venezuelan Petroleum, Inc] affiliate, Guarico's hydrocarbon potential will be determined by appraising the zones that have been assigned to MENEVEN. This will also reveal the volume, depth and characteristics of the underground, water-bearing reserves in a number of regions, which are very important for most of the economic activities in the area.

MENEVEN will reportedly set up planned development centers for both the exploration and production of potential oil deposits.

The enterprise contends that its experience in the eastern part of the country, especially in Anzoategui, will help it to reconcile petroleum and farm activities as well as possible; cooperation is necessary in this regard because these two activities are vital to regional and national development.

MENEVEN reaffirmed its definite objective to integrate into the region without having to set up isolated oil company communities, as used to happen in most of the country's petroleum regions. In this connection, it intends not to upset existing working conditions, to hire local services and by means of this integration and participation policy, to provide every necessary incentive for the industrial and agricultural development of Guarico State.

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CSO: 3010

## CALDERON BERTI DISCUSSES POOR DISTRIBUTION OF OIL REVENUE

Caracas EL UNIVERSAL in Spanish 23 May 80 Sec I p 14

[Report on interview with Dr Humberto Calderon Berti, Venezuelan minister of energy and mines and president of OPEC, by C. R. Chavez; date and place not given]

[Text] Expanding on the view that he expressed a few days ago, to the effect that although we do, in fact, take in more and more dollars from our oil, this has not made us rich, Energy and Mines Minister Dr Humberto Calderon Berti stressed this issue and said, once again in a pensive tone, that the steady increase in oil prices and, of course, the increasing revenue from this source have not had a social impact in our country, "because I think that around 80 percent of Venezuela's population has not received the benefits of this increase in the country's revenue from the rise in oil prices starting in 1974. Therefore, we have to begin thinking about new initiatives, new paths for channeling the efforts of Venezuelans into the specific field of labor and the creation of wealth that can be properly utilized for society."

### Price Rise

In a lengthy conversation with our economics editor, Calderon Berti began by mentioning the increase in oil prices. "People think that a price increase is a decision that you make overnight, simply because it occurred to you to make it. That is not the way it is. A rise in the prices of the various kinds of crude oil (which are subject to standards worked out by OPEC), as well in the prices of residuals and other refined products (which is up to each country that produces them), requires a complicated process of technical analyses and consultations that demand experience and wideranging information on actual conditions. Technical units of the ministry, of PETROVEN [Venezuelan Petroleum, Inc.] and of the four operating companies are used to undertake these technical analyses and consultations, and about 150 people take part in them. These are the people who have just participated in the analyses that preceded the latest decision to boost our crude oil prices."

Calderon Berti acknowledged that the price increases ordered by 9 of the 13 OPEC members do not for the moment further the notion of pricing unity. Nevertheless, he cautioned that in talking about pricing unity, we should not assume that OPEC is seeking a "uniform price" for all kinds of petroleum, because that would be somewhat utopian. That kind of pricing would be impossible because, in the first place, there is an enormous variety of crude oils (in terms of their specific density, sulfur content, paraffin content, etc), which dictates price differences, and secondly, as far as buyers are concerned, it is not the same thing to buy a barrel of crude oil at a place 1,000 kilometers from their consumer market as 9,000 kilometers.

We must also take into account the basic fact that both the production levels and the prices that are set for a country's crude oil are directly related to the volume of its reserves and to its conservation policy. For example, the pricing and production policy of Saudi Arabia, which as we know has the world's largest proven reserves of oil, might not be the same as Venezuela's, whose proven reserves are just 11 or 12 percent of Saudi Arabia's. And this also goes for the other Persian Gulf countries, whose reserves, considered in proportion to the population of each country or region, will determine whether output and prices are relatively higher or lower.

Calderon Berti also underscored a geopolitical fact that we must take into account. The three African members of OPEC (Algeria, Libya and Nigeria) are basically producers of light crudes, and their prices have practically not budged lately (nor have Iran's), because they are charging about $35 a barrel, which, as we can see, is higher than the highest price that Venezuela now charges (after the latest approved boost) for its "Oficina" crude (34 degrees API), $34.25 a barrel.

There are also political considerations "that I cannot mention because as president of OPEC and even as Venezuelan petroleum minister, I am not supposed to get involved in this. But we do acknowledge the existence of political factors that influence the area in which the aforementioned African countries operate, as well as in the Persian Gulf nations." Even though OPEC has given up the idea of "getting involved in politics," each one of its members obviously has its own problems and is responsible for its political actions, independently of the fact that the 13 belong to a supranational body that makes far-reaching decisions (output, prices and marketing of oil) in connection with a business that is becoming increasingly important because it is part of the new strategy of the political and economic world in which we live.

Minister Calderon Berti returned to the topic of price unity and said that "what we are proposing and even advocating is the creation of a mechanism that will enable us to make periodic adjustments of oil prices, on the basis of a standard or reference price and in accordance

with inflation developments, monetary adjustments and the GDP of the industrialized countries, so that the OPEC member nations will not see the erosion of their sole tool for achieving their economic goals."

Venezuela and OPEC

With regard to the increasing rapidity with which oil prices are changing, Minister Calderon Berti shared the newsman's concern (as reflected in one of his questions) and reaffirmed his argument that "I believe in a renovated, updated OPEC that gives consideration to other concerns and charts other paths. Although it is true that when OPEC was founded in 1960, its basic objective was to actively defend oil prices, it is also true that 20 years later the situation has changed, and hence OPEC's objectives and permanent role must also change, although this does not mean that it should forget about defending prices."

"We cannot and must not remain anchored in the past," Calderon Berti said. The situations are different, and different situations require different arrangements and different solutions. This is why we are expressing a number of concerns publicly, so that people will feel that they have to give them some thought, because I do not think that I am the only one who has a duty to think. I think that the country has to think, reflect and seek new arrangements. For example, I think that you really understood what I said in my speech to the industrialists, to the effect that although we are, in fact, earning more dollars for our oil today, we are not really richer because of it. Today, I can tell you this: I feel that 80 percent, without conducting any survey, 80 percent of the Venezuelan population has not seen the benefits of higher oil prices."

[Question] In other words, our revenue is poorly distributed?

[Answer] I would not be so bold as to say that within the context of OPEC. I think that the first thing that we have to do is think about it ourselves, in other words, Venezuela as a country, and then of course the experience that our country can gain in this regard could be conveyed to the organization as a whole. I think, for example, that the oil price increases have created an optical illusion in terms of social benefits. Proof of this is that everything is more expensive now. We have a domestic inflation now that is partly caused by the sizable inflow of foreign exchange, by wealth that has come to us suddenly and that has not resulted from the labor, efforts, dedication and perseverance of Venezuelans. Instead, we have unexpectedly, accidentally and suddenly received an overwhelming amount of revenue. The problem has been that we have taken in a lot of money and not known how to spend it.

[Question] Are there deep-seated shortcomings in administration?

[Answer] Of course; we have not been able to administer this wealth. So I think that we have to come up with a system that is much more compatible with our nature, with our skill in managing resources. I have wanted to propose (and we are beginning to delineate the idea somewhat) that petroleum be made a tool for a different kind of development. It is not that we are going to stop charging a fair and remunerative price for our oil. That would be absurd. We have to continue charging a good price for our oil, but the point is not how much we charge per barrel of exported oil. The point is how to administer the bolivars that we take in from the sale of that barrel of oil. There are a lot of things that we could do.

I have been proposing to Venezuelan industrialists that through their unquestionable creativity, experience and determination to see the country progress industrially, they might help us to take advantage of the opportunity to use our oil to open the doors to certain Venezuelan industrial goods on a number of much bigger foreign markets, where we might enjoy advantages from what are called economies of scale, because the Venezuelan market is, to be sure, relatively small, and we have to expand our industry, because we need to strengthen this important sector of our economy.

Calderon Berti stresses that "in addition to remunerative prices, we could, even at the OPEC level, see to it that in exchange for the guaranteed oil supplies that we provide our customers, they would pledge to sell us, at reasonable prices, both raw materials and technology, and to a certain extent, equipment as well, for our countries' industrial development. In other words, we would be getting specific benefits for our countries in exchange for guaranteed oil supplies, which as far as consuming nations are concerned, are soon going to be even more important than the prices that we set for each barrel of export oil. Such guaranteed oil supplies could be arranged not only between governments but also between private companies and/or economic associations, because what we are interested in is having a guaranteed supply of raw materials, equipment and other factors of production that are indispensable for our development.

OPEC and Politics

[Question] What is OPEC's position regarding the political, religious and military problem in the Middle East?

[Answer] In the organization we have been stressing (and this is not just Venezuela's view; it is shared by all of the member countries) that OPEC must keep out of political disputes, both regional and bilateral conflicts. Over the period of months that I have been

president of the organization, I have really made a great effort to prevent political issues from being brought up, because I feel, and I think that my colleagues in OPEC share this feeling, that this organization must preserve its structure and strength as an economic organization. Although it is true that its technical decisions have political repercussions, we must not allow ourselves to become a political body that acts for political purposes. In this connection, I had the opportunity to deliver a speech at the close of the Taif Conference in which I underscored these views, which my colleagues enthusiastically acknowledged. All of us ministers realize that this must be the course and the approach that OPEC must follow in order for it to successfully carry out all its plans and achieve its objectives.

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CSO: 3010

## STEAM, GAS, WATER INJECTION PROJECTS YIELD RESULTS

### MARAVEN in Zulia

Caracas EL UNIVERSAL in Spanish 11 May 80 Sec 1 p 27

[Text] PETROVEN [Venezuelan Petroleum, Inc] affiliate MARAVEN is currently undertaking 21 water injection and 4 gas injection projects in Lake Maracaibo, with operating capacities of 696,000 barrels of water and 688 million cubic feet of gas a day. This information was provided by Luis Giusti, a petroleum engineer who graduated in 1966, received his master's in petroleum engineering from the University of Tulsa in 1971 and is now a professor at the Petroleum School and the Post Graduate Department at Zulia University. Giusti has also authored several specialized publications both here and abroad and is currently serving as engineering manager for deposits in MARAVEN's exploration and production administration in Caracas.

Referring to the importance of seminars for the national oil industry, Giusti noted the following: "The study that we presented contains a historical summary of MARAVEN's efforts in water and gas injection to recover more oil than can be obtained by primary techniques. It also describes the policies pursued in planning and monitoring water and gas injection projects, policies that have been worked out on the basis of the wideranging experience gained over the last 12 years. These policies are implemented in accordance with the criteria used for project feasibility studies, installation design, development systems, monitoring and followup techniques and the systematic analysis of alternatives, which enables us to fine-tune or redirect a project at any time."

In conclusion, he said, it discloses the scope of current and future water and gas injection programs and the feasibility studies that have currently been proposed to work out an improved recovery policy as a followup to water and gas injection programs.

## LAGOVEN Reserves Increased

Caracas EL UNIVERSAL in Spanish 9 May 80 Sec 2 p 9

[Text] PETROVEN affiliate LAGOVEN is using gas and water injection to develop deposits and is maintaining full-scale activities at 31 of the 42 projects that it has begun in the areas assigned to it.

Antonio Diaz Miranda, a speaker at the water and gas injection seminar that PETROVEN is holding at the Macuto Sheraton Hotel, pointed out in a paper presented today that water and gas injection is being utilized at 25 deposits for supplementary recovery purposes. The other six are pilot projects aimed at additional recovery, gas conservation or the disposal of effluent waters.

Antonio Diaz Miranda received his engineering degree in 1955 and his doctorate in mining engineering in 1965. He graduated from the University of Madrid in 1962, validated his degree at the Central University of Venezuela, worked for the Creole Petroleum Corporation from 1957 to 1964 and from 1964 to the present has served as chief engineer for deposits in LAGOVEN's Production Department in Caracas.

Diaz Miranda noted the following: "After 25 years of conservation efforts, we have injected more than 5 million cubic feet of gas and more than 4 billion barrels of water into the deposits."

By utilizing this system LAGOVEN has boosted reserves by 3.4 billion barrels; close to half of its output comes from deposits into which gas or water is injected.

## CORPOVEN in Lake Maracaibo

Caracas EL NACIONAL in Spanish 9 May 80 p D-20

[Article by Nury Hernandez]

[Text] Maracaibo, 8 May--CORPOVEN has installed two water injection plants in Lake Maracaibo at a cost of 19 million bolivars to recover oil.

The plants repressure the oil deposits so that additional crude can be recovered; each of them has an injection capacity of 10,000 barrels of water, with a pressure of 2,500 pounds per square inch.

The plants set up by CORPOVEN 50 kilometers from Maracaibo are part of the program begun in 1978 to install a total of 9 similar injection facilities over a 5-year period.

## Steam Injection in Orinoco

Caracas EL NACIONAL in Spanish 20 May 80 p D-6

[Article by Ruben Ferrer Rosas]

[Text] Jobo, Southern Monagas, 19 May--A continuous steam injection project is being undertaken in this field to recover some 6 million barrels of oil.

The LAGOVEN project, dubbed Jobo II, also aims at generating basic information for future commercial operations in this field, which borders on the Orinoco Belt.

The pilot project is also designed to ascertain the best way to recover deposits under continuous steam injection and to lay the economic groundwork for this process, a LAGOVEN technician explained.

The program, which will be undertaken over the next 5 years, encompasses an extensive area, and the hope is to recover some 6 million barrels, which is equivalent to 30 percent of the oil there.

Under the program, the source added, we have drilled 31 wells: 22 producing, 6 input and 3 observation wells.

### Experience for the Future

In talking about the Jobo II Project, LAGOVEN technicians say that the future of the Eastern Division, of the entire enterprise and perhaps, they added, the entire industry depends on its results.

They explain that Jobo holds out the hope of coming up with a suitable technology that could result in the successful development of the Orinoco Belt.

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## BRIEFS

NATURAL GAS RESERVES--Caracas, 15 May (VENPRES)--Venezuela's natural gas reserves total 44 trillion cubic feet, Venezuelan Petroleum, Inc. reported today. It pointed out that "the decision by OPEC in Taif, Saudi Arabia, does not directly affect Venezuela because our country does not export natural gas." The OPEC conference in Taif on 7 and 8 May decided that the price of the natural gas exported by its members should be brought in line with and made proportional to the price of crude oil on the basis of their equivalence in BTU's (British Thermal Units). "Gas is used for industrial and household consumption and for reinjection into petroleum deposits (secondary recovery techniques)," Venezuelan Petroleum, Inc. indicated. "Venezuela exports small amounts of liquified natural gas, but the levels are so low that they are not worth mentioning," it added. The company pointed out that a "cryogenic" plant is being built in the eastern part of the country to process gas and by cooling it to obtain liquids such as methane, isobutane and propylene, which are much sought-after by the petrochemicals industry on foreign markets. The oil company noted that estimated natural gas reserves for the other OPEC members totaled 484 trillion cubic feet in 1975; of this amount Iran has 200 trillion cubic feet, Algeria 105 trillion and Saudi Arabia 50 trillion. It added that the remaining reserves are divided up among Nigeria with 40 trillion cubic feet, Kuwait with 33 trillion, Libya with 28 trillion, Abu Dhabi with 12 trillion, Qatar with 8 trillion and the Arab Emirates with 8 trillion. [Text] [Caracas EL NACIONAL in Spanish 16 May 80 p D-11] 8743

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